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The NATIONAL UNDERWRITER

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Rigid Adherence to Standards a "Must" in Financing Men

Exceptions Prove Costly in Salary Plans.
Home Life, N. Y., Finds

NEW YORK—Experience of Home Life of New York with salary or drawing account compensation for new agents shows definitely that for the plan to be successful the standards set up must be rigidly adhered to, since practically all exceptions which have been made proved to be costly, A. B. Doran, assistant superintendent of agencies, said at the regional general agents' conference here.

The plan is still largely in its experimental stage, but certain fundamental things have already been uncovered, Mr. Doran said, which should enable general agents to decide more intelligently about financing men. He did not minimize the need of financing, saying that there is keen competition for good men not only in life insurance but in other lines. He observed that in other fields financing is an established method of compensation for most new men and for the maintenance of sales organizations.

Failures Due to Exceptions

New men with Home Life must measure up to standards which have been set through analysis of successes and failures in the business. Where the salary plan has fallen down it was nearly always due to the exception being made to these standards, he said.

Another factor, however, that results in financing of new men being costly is lack of organization on the part of the general agent, Mr. Doran said. Unorganized training methods and consequent lack of time control among the new salesmen contributed to failure. Insistence of the general agent on adequate, accurate and complete daily reports, such reports being carefully analyzed and inspected, is a fundamental rule in maintaining a successful financing program, he emphasized.

Contacts Most Important

The third factor to watch in financing new men is the number of his contacts. The man who must start from scratch on a cold canvass basis is not a good bet, Mr. Doran said. Only men who are well established in their communities in a business and social way merit early support through financing methods.

Regardless of the merits of financing Mr. Doran made it clear that any such plan, whether drawing account or salary, should be withdrawn after the second year in business and the discontinuance should not be abrupt but gradual, with the agent being on a standard commission basis by the end of his third year.

Agency Vice-president C. C. Fulton also dwelt on the favorable results ob-

(CONTINUED ON PAGE 12)

John Wohlgemuth Heads Organization

Becomes President of The National Underwriter—Other Changes Made

At a meeting of the directors of The National Underwriter Company at its executive office in Cincinnati, John F. Wohlgemuth of Chicago, secretary of the publishing company, was elected president to succeed his brother, the late E. Jay Wohlgemuth. Vice-president Howard J. Burridge of the Chicago office was also elected secretary. Abner Thorp,



JOHN F. WOHLGEMUTH

Jr., and Louis H. Martin were elected vice-presidents at the Cincinnati office. Mrs. Stella Goss Wohlgemuth of Cincinnati was chosen treasurer and George E. Wohlgemuth, Cincinnati, assistant secretary. John O. Cartwright becomes assistant secretary at Chicago.

Mr. Wohlgemuth, who becomes head of the organization, was born on a farm in Michigan in 1879, was educated in the grade and commercial schools at Detroit. He became associated with Gaukler's Insurance Agency in that city. He moved to Cincinnati in 1900 to become reporter for THE NATIONAL UNDERWRITER and also a compiler for its state insurance directories. He did considerable traveling in connection with the directories. He left business and entered the Cincinnati Law School, graduating at the end of three years, in 1907. He then became a claim investigator in Cincinnati for the Travelers' liability department. He returned in 1909 to THE NATIONAL UNDERWRITER organization at Chicago as associate editor in charge of the news desk. He became secretary in 1917, being placed in charge of the sales department. Later he gave his entire time to secretarial work and had charge of the Chicago office. In 1926, he assumed the editorship of the "Casualty Insuror," one of the affiliated publications.

John Cartwright is manager of the circulation department and when Mr. Wohlgemuth takes up his residence in Cincinnati, he will be office manager in Chicago in addition to his present duties.

Steering Group Named by Institute

President Fulton, Home Life, N. Y., Treasurer of Public Relations Group

NEW YORK—President James A. Fulton of the Home Life of New York has been named treasurer of the recently formed Institute of Life Insurance. The board of managers also elected an executive committee, of which Mr. Fulton is an ex-officio member.

The executive committee includes L. A. Lincoln, president Metropolitan; T. I. Parkinson, president Equitable Society; F. B. Wilde, president Connecticut General; J. A. Stevenson, president Penn Mutual; A. F. Hall, chairman Lincoln National Life; G. S. Nollen, president Bankers Life of Iowa; and Julian Price, president Jefferson Standard. Mr. Wilde is chairman of the board of managers and of the executive committee.

Membership Now Is 77

The addition of Phoenix Mutual Life and Wisconsin Life brings the number of member companies to 77.

An important public relations effort carried on for several years, the "Annual Message of Life Insurance," was approved, and the Institute voted to continue it.

cincinnati and maintain their residence there.

Mr. Burridge is in charge of the sales organization and has other important executive duties. He has been with the organization for 26 years. Mr. Martin is manager of the Cincinnati office and has been connected with THE NATIONAL UNDERWRITER for 13 years since his graduation from the University of Cincinnati in 1925. He is head of the book department. He was born in the insurance publishing business. His grandfather, the late Dr. H. C. Martin, founded the Rough Notes Company of Indianapolis and was editor of "Rough Notes." His father, the late Louis H. Martin, was vice-president of the Rough Notes Company and later became advertising manager of the Globe-Wernicke Company of Cincinnati which he served in that capacity until his death.

Mr. Thorp is head of the life insurance service department at Cincinnati and is the founder and editor of the "Diamond Life Bulletins," well known life insurance publication. He was associated with the Provident Mutual Life at Cincinnati before joining THE NATIONAL UNDERWRITER, with which he has been associated for 20 years.

Mrs. Wohlgemuth's husband founded The National Underwriter Company and served as its president until his death. George Wohlgemuth is the news representative of THE NATIONAL UNDERWRITER at Cincinnati and is also editor of the "Industrial Salesman," a monthly affiliate. He has been with the company since his graduation from the University of Michigan in 1930. He is a nephew of John F. Wohlgemuth.

John Cartwright is manager of the circulation department and when Mr. Wohlgemuth takes up his residence in Cincinnati, he will be office manager in Chicago in addition to his present duties.

SEC Wants to Go Into "Fight with Fists Flying"

First Hearing Monday—New Questionnaire Sent to Life Companies

WASHINGTON—Outstanding personalities in the insurance world are expected to be called before the temporary national economic committee during its investigation of insurance companies, on which hearings will open Feb. 6.

Announcing that insurance would be the next subject of consideration in its investigation of monopoly, Senator O'Mahoney of Wyoming, chairman of the TNEC, following a meeting of the committee Jan. 31, said that the proposed hearings will have to do largely with questions of internal management of the companies, and more particularly with the scope of their activities, their size, the influence they have upon capital markets and questions of investment control. Approximately two weeks will be required for the hearings.

No Need for Concern

"It might be well for me to state as a preliminary matter that nothing has been presented to the committee or to the Securities & Exchange Commission which should give any policyholder the slightest concern," O'Mahoney said. "As a matter of fact, we feel that the assets are such as to indicate that policies are very well based."

Preliminary studies for the investigation were made by the SEC which, the senator declared, report the "fullest degree of cooperation" on the part of the officers of the companies which were examined.

New Questionnaire 112 Pages

It was made known by SEC that it was continuing its investigation of the insurance industry and had sent a "comprehensive" 112-page questionnaire to 26 life companies, whose assets of approximately 23 billions represent 85 per cent of the assets of all legal reserve companies.

The questionnaire may be sent to the other companies later. It seeks full information as to investment policies and practices; the sources through which investments originate; details concerning the functioning of committees primarily responsible for investments, and facts with respect to accounting practices in connection with such investments. A large proportion of the information sought, it was explained, has not heretofore been available from any public source.

Representatives of the commission have been discussing the general nature of the questionnaire for some weeks with officials of certain of the companies to which it has been sent, and are said to have been assured that the bulk of (CONTINUED ON PAGE 8)

Interesting Points Found in the Annual Statements

MUTUAL LIFE OF NEW YORK

Assets of Mutual Life of New York increased \$50,370,240 during 1938 and now stand at \$1,399,427,496. The fund for depreciation of securities and general contingencies which is equivalent to net surplus increased by \$5,277,014 and now amounts to \$49,548,091. New life insurance issued was \$267,461,084 and insurance in force was \$3,787,704,506, an increase of about \$30,000,000.

Payments to policyholders and beneficiaries amounted to \$135,002,459.

MUTUAL BENEFIT LIFE

During 1938, assets of Mutual Benefit Life increased by \$31,660,612 and at Dec. 31 stood at \$677,549,144. Surplus, which is designated by Mutual Benefit as contingency reserves, is \$29,291,172. The previous year it was \$28,532,226.

Only such due and accrued interest as is regarded as reasonably certain of collection has been taken as an asset.

Premium collections in 1938 increased by more than 2½ millions to \$72,349,342. Payments to policyholders amounted to \$57,353,461, including \$13,062,947 in dividends.

New insurance totalled \$136,896,706, an average of \$4,367 per policy. Insurance in force is \$2,044,470,484, gain about \$12,000,000.

In the nine years since Dec. 31, 1929, Mutual Benefit has received from policyholders \$640,048,569. During that period it has returned to policyholders and beneficiaries \$643,839,842—an amount nearly equalling the assets at the end of 1938. During the same period assets have been increased by the amount of \$130,272,302 and \$6,903,863 has been added to contingency reserve funds.

CONNECTICUT MUTUAL LIFE

Connecticut Mutual Life in its 1938 statement is able to report increases in premium income, total income, assets, surplus, insurance in force and new insurance.

Assets are now \$336,215,697, a gain of about \$24,000,000. Policy reserves are \$275,712,883. There is a reserve of \$810,000 for market fluctuation and investment. Net surplus is \$11,677,010, a gain of better than \$500,000.

Premium income was \$41,354,782, a gain of about \$1,100,000. Total income was \$60,866,359 as compared with \$58,618,880. Insurance in force is \$1,013,089,959, as compared with \$979,141,068. New insurance was \$100,205,179 as compared with \$95,659,018.

PENN MUTUAL LIFE

Penn Mutual Life ended 1938 with total assets of \$702,629,809, a \$3,450,000 gain over 1937. Insurance in force increased \$23,250,000 and is now \$1,951,750,079. Present dividend scale will be continued, the amount to be paid policyholders during 1939 amounting to \$11,-

400,000. A factor in enabling the present dividend scale was the extremely favorable mortality experience, the ratio being the lowest in history. Income was \$118,723,271. Surplus for mortality and investment fluctuations increased \$1,500,000, now standing at \$30,793,055.

Repayment of policy loans exceeded new loans made by more than \$2,500,000. Dividends left increased more than \$2,000,000 over 1937. Some \$34,386,721 of such dividends and accrued interest are now on deposit.

New insurance paid for in 1938 totalled \$155,903,043. During 1938 \$54,870,748 was paid to policyholders and beneficiaries. Total payments to policyholders and beneficiaries during its 92 years of existence amount to \$1,204,852,530.

JEFFERSON STANDARD LIFE

The Jefferson Standard Life assets have reached \$80,000,000 and the new life business last year was more than \$46,000,000. The directors approved the recommendation made by the management that a 5 percent bonus be paid employees. This is the 20th anniversary of Julian Price as president. The gain in assets was \$6,814,000. Policyholders surplus is \$5,600,000. There were paid policyholders last year \$6,000,000, bringing the total to date to \$105,000,000. The insurance in force is \$385,000,000 and the company has 160,000 policyholders. The net interest earned on invested assets was 5.1 percent. On funds held in trust the company has paid 5 percent continually since its organization in 1907. The mortality ratio was 49 percent.

CONTINENTAL ASSURANCE

Continental Assurance in its new statement shows assets \$30,438,335. This is a gain of just about \$3,000,000. Public utility bond holdings were increased by about \$1,300,000 and the miscellaneous bonds by about \$600,000. Mortgage loan investments made a sharp gain of about \$1,300,000.

Policy reserves amount to \$25,045,366, claim reserve \$1,033,897, capital \$1,000,000 and net surplus \$2,507,100, a gain of about \$22,000.

Insurance in force amounts to \$231,972,498, an increase of \$6,429,509.

BANKERS LIFE OF IOWA

Bankers Life of Iowa, in its new statement, reports assets \$22,390,518. That is a gain of more than \$12,000,000 for the year. Policy reserve stands at \$196,182,014. There is a reserve for contingencies of \$2,500,000 and net surplus is \$10,568,819, as compared with \$9,686,326 the previous year.

Nearly 60 percent of the assets consist of government bonds and policy loans. That is a high proportion of assets of a quick liquid variety.

Insurance in force is about \$752,000,000, a gain of about \$5,000,000. New in-

surance paid for last year exceeded \$59,000,000. Payments to policyholders and beneficiaries exceeded \$20,000,000.

Rate of interest earned on invested assets was 3.8. The mortality record was improved.

The new home office building of Bankers Life will be dedicated on its 60th anniversary.

LINCOLN NATIONAL LIFE

Assets of Lincoln National Life on Dec. 31, 1938, amounted to \$147,947,028, increase \$8,600,632. Its capital is \$2,500,000, net surplus \$3,500,000 and special surplus for contingencies \$1,921,462, increase \$849,533.

Insurance in force stands at \$995,423,126, increase \$41,726,175. New business written was 2 percent greater than in 1937. The amount paid policyholders and beneficiaries was \$12,587,170. The corresponding figure since organization is \$161,665,933. Premium income was \$23,484,329, increase \$1,111,562.

There is no principal in arrears and only two bond issues are past due on interest, one a railroad issue to the extent of \$15,366 and the other a municipal issue in the amount of \$97. All preferred stocks are paying regular dividends.

WESTERN & SOUTHERN LIFE

New highs in assets, insurance in force, and surplus are reported by C. F. Williams, president of the Western & Southern Life. Assets total \$171,599,032; business in force \$881,995,571; U. S. Government bonds \$61,242,339; first mortgage loans city property \$67,558,321, farm property \$1,988,307; policy loans \$8,694,055; real estate \$15,385,785; securities fluctuation and general contingency reserves \$5,371,580; capital and surplus \$23,808,418; legal reserve \$140,417,368. Increases were assets \$7,670,767; surplus \$655,245; business in force \$13,121,056.

PROVIDENT LIFE & ACCIDENT

In 1938 the Provident Life & Accident experienced its best year in its 51-year history. Gains were shown in assets, reserves to policyholders, life insurance in force and total income.

Reaching an all-time high, life insurance in force gained \$6,881,148, making the total of \$118,928,046. Assets increased to an all-time high of \$11,178,206 being a gain of \$1,267,562. Surplus to policyholders total \$2,862,667, a gain of more than \$300,000.

During the year over 75,000 claimants received benefit payments under Provident policies for \$4,000,000, bringing the total paid since organization in 1887 to \$44,602,280.

All departments reported gains, including group, railroad, accident department and life.

OHIO STATE LIFE

Ohio State Life recorded gains in 1938, earnings being the largest since the depression started.

Insurance in force increased \$3,421,079, a total of \$95,688,138. Assets gained \$1,309,789, now at \$19,776,286. Income exceeded 1937 by \$192,531 and exceeded

SEC Adviser



E. C. WIGHTMAN

E. C. Wightman, former comptroller of Lincoln National Life, is presently occupied as insurance adviser to the Securities & Exchange Commission in its monopoly investigation.

disbursements by \$1,314,771. General surplus increased \$50,000. Capital is now \$50,000, surplus \$1,928,896. The company earned 4.22 percent on mean ledger assets, an increase over 1937-1936.

Government, state, county and municipal bonds are in the sum of \$6,412,358, a net increase of \$629,778. Mortality experience was the lowest since 1935.

Dominion Life

Assets of Dominion Life of Waterloo, Canada increased \$4,073,000 during the year, the total now being \$40,863,057. Policy reserves amount to \$33,752,000, increase \$3,338,446. Insurance in force stands at \$178,817,968, increase \$5,881,000. Payments to policyholders and beneficiaries during 1938 amounted to \$3,132,606. In its 50 years Dominion Life has made \$40,800,000 such payments.

Great American Life

The Great American Life of San Antonio makes an excellent statement, its assets being \$3,045,357, of which \$1,374,494 are mortgage loans, \$810,576 bonds, \$154,064 cash, \$190,386 policy loans. Its real estate of \$274,113 is the value of its home office building in San Antonio. The capital is \$500,000 and net surplus \$650,000. Insurance in force is \$32,000. Charles E. Becker is president and head of the organization.

National Guardian Life

Assets of National Guardian Life of Madison, Wis., are given at \$11,339,326 in the new annual statement, gain for the year \$804,124. Insurance in force was \$50,230,849, increase \$2,181,779. Insurance written during the year was \$5,633,169, increase \$43,740. National Guardian paid \$217,195 in death claims, \$228,084 surrender values and \$211,502 dividends to policyholders.

Guarantee Mutual Life

Guarantee Mutual Life of Omaha in its 1938 statement reports assets \$21,856,888, as compared with \$20,256,888 the previous year. Policy reserve amounts to \$17,548,856. There is a contingency reserve of \$1,000,000 and net surplus is \$1,422,522 as compared with \$1,342,613.

Payments to policyholders and beneficiaries during the year totaled \$1,949,107. In its 37 years, Guarantee Mutual has paid to policyholders and beneficiaries

(CONTINUED ON PAGE 11)

FIGURES FROM DEC. 31, 1938 STATEMENTS

Total Assets	Change in Assets	Surplus to Policy-holders	New Bus. in 1938	Ins. in Force Dec. 31, 1938	In Ins. in Force	Prem. Income 1938	Total Income 1938	Benefits Paid 1938	Total Disburs. 1938
American Life & Acc...	159,195	+ 12,942	7,070	2,056,626	4,052,703	+ 77,722	119,775	133,513	48,714
American Sav. Life, Mo.	2,346,401	+ 189,542	315,845	2,309,534	14,043,96	+ 94,849	526,611 ²	734,284	131,677
Capitol Life, Colo.....	12,066,207	+ 448,528	1,345,998	8,519,546	58,466,459	+ 1,374,697	1,492,056	2,250,554	730,444
Great American, Kan...	2,035,146	+ 88,289	255,695	1,983,369	9,749,701	- 26,777	266,797	407,242	992,690 ²
Home Securi. Life, N. C.	2,398,275	+ 370,906	270,845	23,339,359	88,255,771	+ 2,886,311	1,299,764	1,398,087	157,053
Jefferson Standard Life	8,008,972	+ 6,814,378	5,600,000	46,109,500	385,058,943	+ 14,035,786	11,487,457	16,754,837	5,996,202
Kentucky Central L. & A.	1,762,572	+ 269,408	494,250	12,670,895	20,035,038	+ 1,603,834	2,317,643	2,413,347	768,280
Northern Life, Wash...	18,632,077	+ 1,409,506	908,106	15,253,594	102,627,831	+ 2,163,226	3,282,677	4,659,793	319,853
Guarantee Mut.	21,856,889	+ 1,600,000	2,422,522	20,729,662	135,723,650	+ 2,811,230	3,830,798	5,086,292	1,949,107
Lamar Life, Miss.....	13,845,297	+ 1,107,002	950,000	7,405,341	68,774,216	+ 732,823	1,885,044	2,583,324	3,492,541
Mnfrs. Life, Can.....	167,371,396	+ 12,432,461	9,022,068	55,178,836	551,445,258	+ 15,491,362	24,329,309	35,836,849	1,728,668
Midland Mut. Life....	28,477,050	+ 2,069,322	2,548,686	9,416,870	11,067,548	+ 2,445,920	3,702,043	5,554,222	1,965,426
Mutual Trust Life....	43,588,261	+ 2,837,422	8,122,575	17,912,551	171,479,183	+ 3,589,399	5,662,842	8,251,166	3,504,939
New World Life.....	11,180,936	+ 376,623	1,839,913	4,948,418	40,209,700	+ 823,460	1,188,862	1,780,092	739,243
Pan-American Life....	36,559,997	+ 2,451,067	2,006,536	19,709,425	164,108,087	+ 69,984	5,559,586	7,981,477	1,444,001
Protective Life, Ala...	11,273,642	+ 807,396	1,352,231	12,975,996	110,531,429	+ 1,724,140	2,371,992	3,309,671	3,176,902
Reliance Life.....	116,129,502 ²	+ 7,701,158	4,637,012 ²	53,578,444	468,973,692	+ 15,412,534	15,855,407 ²	22,095,442 ²	5,136,329
Southeastern Life, S. C.	6,133,196	+ 549,238	569,668	12,760,160	62,407,210	+ 11,513,756	1,082,817	1,481,631	946,422
United Fidelity Life...	5,967,108	+ 575,946	567,791	10,115,249	46,174,394	+ 392,907	1,187,428	1,521,870	430,289
Western & South. Life	171,598,802	+ 7,670,537	23,807,330	147,753,122	881,995,571	+ 18,121,056	27,855,796	36,153,468	16,381,958

*Plus \$12,970 reinsurance. Does not include amount refunded by reinsurers.

²Includes accident and health department.

³Does not include \$722,799 contingency reserve.

Cox Reviews Splendid Year of Union Central Life

Strength of Life Insurance Shown by Growth in Bad Times

CINCINNATI—Assets of Union Central Life increased \$14,986,529 in 1938 and now amount to \$374,398,134, President W. Howard Cox reported at the annual meeting of stockholders here. New business sold during the year was \$93,341,834. Business in force, including annuities and life policies, at the year end was \$1,307,610,758, an increase of \$2,127,721.

"It is an indication of the fundamental strength of life insurance that it can grow in difficult times as well as in good times," Mr. Cox stated, as he pointed out that "Assets of Union Central have increased \$5 millions during the last 10 years—depression years. In other words, this 72 year old company is 30 percent larger than it was Jan. 1, 1929."

No Defaults in Bonds, Stocks

"The bond and preferred stock account now exceeds \$100,000,000 and amounts to more than 26 percent of the assets. No bond or preferred stock in the Union Central's entire investment portfolio is in default."

"In the annual statement no credit has been taken for the excess of the market value of bonds over the book value. At the end of 1938 this excess amounted to \$3,753,050. All interest overdue more than one year on active mortgages has been eliminated from the admitted assets."

"We have been successfully shifting our mortgages from the farm field to the city field. At the end of 1938 the amount of our city mortgages exceeded farm mortgages."

"In 1938 income exceeded disbursements by \$16,863,242. Union Central paid policyholders and beneficiaries during the year \$35,865,241. The total paid policyholders and beneficiaries since the company was organized in 1867 has now reached the total of \$811,628,344."

"The sales trend is most encouraging at this time. Sales began increasing Oct. 1 and the volume has continued to grow. This trend has continued during the first month of 1939, January sales showing an increase of more than 25 percent over January, 1938."

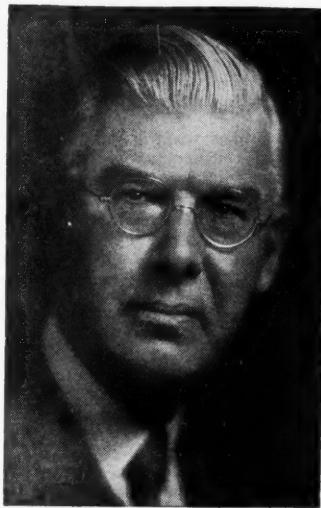
Following acceptance of Mr. Cox's report, all officers and directors were re-elected, the directors including Clarence Murphy, Jesse R. Clark, Jr., John W. Pattison, Thomas J. Davis, Clifford R. Wright, Jerome Clark, Frank W. Cottle, Richard S. Rust, Russell Wilson, John R. Schindel, John W. Tarbill, Charles W. Dupuis, Frederick V. Geier, William Henry Harrison, Loren G. Gatch, and Mr. Cox.

Iowa Governor Must Announce Decision Soon

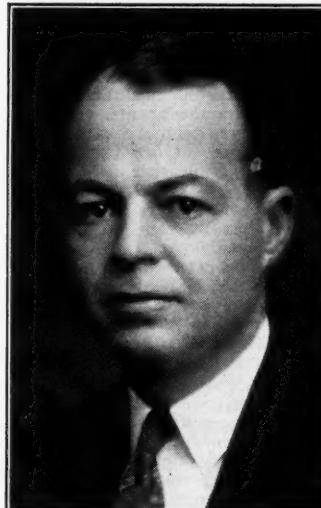
DES MOINES—Gov. Wilson has only one week in which to appoint a new Iowa commissioner to replace M. V. Pew, whose tenure ends Feb. 9. Mr. Pew is filling the term of Ray Murphy who resigned to become assistant manager of the Association of Casualty & Surety Executives. Mr. Pew's appointment was never confirmed by the legislature and therefore he leaves office 30 days after the legislature convenes, which was Jan. 9. Murphy's term expires June 30, 1939.

There is the possibility that Gov. Wilson will name an acting commissioner

Grandson of Founder Now at Helm



HENRY S. NOLLEN
Board Chairman



FREDERICK W. HUBBELL
President

Henry S. Nollen, president Equitable Life of Iowa, was elevated to board chairman at the trustees' annual meeting and Frederick W. Hubbell, grandson of the founder, became the new president of the company.

awaiting any action from the legislature in merging the banking and insurance departments, as has been mentioned as one of the Republican economy moves.

Much opposition has arisen in the state legislature to such an economy move.

Peisen, chairman of the house reorganization committee, reported that he has been receiving "a lot of heat" from insurance companies and bankers concerning the merger.

The companies, Peisen said, contend

that the efficiency and service of the department would be impaired in a consolidation.

Peisen indicated, however, that he favors the consolidation. Several other members of the committee also favor it.

Gale F. Johnston, of St. Louis, manager of the Metropolitan Life group department in the southwestern district, has been elected president of the St. Louis Boy Scout Council.

TRUSTEES IN THE FIELD

A Field life underwriter is as much a trustee of his company as are members of the Board of Trustees at the Home Office. We are all bound by the obligation to serve our companies and policyholders with conscientious fidelity. Our associate trustees in the Field are especially obligated in their prospecting to be obedient to the principle of "selection at the source." The contrasting principle, or, rather, the no-principle-at-all, is, "It's up to the Medical Department."

Underwriters generally, it is truth to say, hold to a high ethical standard in this respect, testing each case by asking themselves, "Would I be willing to carry this risk myself?" There are cases, of course, in which an underwriter feels that he is incompetent to pass judgment, and, quite properly, for the protection of his prospect, asks judgment by his Medical Department.

Selection at the source, for a company's benefit, is the first line of defense against excessive mortality. Selection at the source, regardless of quality, and for an underwriter's own profit, is the practice of a traitor to duty and to conscience.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

W.M.H. KINGSLEY, Chairman of the Board

Independence Square

JOHN A. STEVENSON, President

PHILADELPHIA

Ohio State Life Is Shifting Largely to Participating Plan

High Lights of the Annual Agency Convention Held in Columbus

COLUMBUS, O.—Claris Adams, president Ohio State Life, at its agency convention this week announced that it will reach out very strenuously hereafter for participating business. The company went on a 3 percent reserve basis Jan. 1. It has gotten out a new rate book and literature to prepare agents for the change in company policy, the details of which were explained by Vice president and Actuary H. C. Fetsch.

Mr. Adams stated the company had made it possible for the agents to make more in selling participating policies, both on first and renewal commissions. At present it has about 80 percent non-participating and 20 participating. The objective is now to reverse these percentages. Mr. Adams explained that while a few years ago nonparticipating policies seemed to fit a majority of cases, the conditions have changed. With unpredictable interest rates and no way to tell what the future holds forth, it is wise, he added, to have a margin. If rates ascend, then the policyholders will derive the benefit. He does not believe interest rates will decrease much more.

Participating Policies Persist

A company can well afford to pay more for participating insurance, Mr. Adams contended. It persists much better, he stated. Lapse, he continued, means a tremendous waste, and this can be minimized through the medium of participating policies.

President Adams gave the aim of the organization in 1939 as having \$100,000,000 insurance in force by Dec. 31. It now has \$95,688,139. While the first six months offered very tough sledding, the last three weeks saved the day. Ohio State's mortality last year was 41.8 percent. Its interest rate was 4.22 percent.

President Adams is particularly proud of the investment portfolio. The assets are \$19,831,945, gain \$1,316,960. Federal obligations are \$2,219,225 and bonds of other governmental agencies \$4,193,453, or a total of 32.34 percent of the assets. Cash is 3.34 percent, mortgages 35.9. Its mortgages are chiefly residential in the \$10,000 group. It has no mortgages on large properties. Its office building is 3.14 percent and other real estate 6.29. It earned 3.52 percent on its real estate. Its policy loans are 14.9.

The capital is \$500,000, investment fluctuation fund \$168,389, general contingency reserve fund over \$160,000 net surplus \$1,100,000.

President Adams declared that there is nothing exclusively new offered by a company but that it is soon copied. Hence the real success depends on skill in management and the spirit of the field force. He characterized the Ohio State as an intensely human company.

J. C. McFarland, Cincinnati general agent, star producer for the year and president of the President's Club referred to the stability of the official and field personnel. There are few changes made and many have been with the company for years.

Dr. C. E. Schilling, vice-president and medical director, announced that Dr. C. E. Herron, associate medical director, had been made medical director, the two being on the same basis. Dr. Schilling

(CONTINUED ON PAGE 10)

Eliminate Drones, Sell Yourself To Your Agents Advises Orr

The attitude of the general agent decides whether or not there will be recruiting, says Millard R. Orr, Philadelphia, Massachusetts Mutual, in speaking at the company's general agents' conference at Palm Beach. If the general agent possesses an attitude of defeatism it is useless to make much effort. He must possess a real conviction that he can take a new man and make him a success.

It is difficult for an agent to have much prestige if his agency is composed of unsuccessful men. The drones must be eliminated before one can make a real start in this matter of recruiting.

Agent Must Sell Himself

It is up to the general agent to sell himself to his agents and to keep himself sold. This is done in Mr. Orr's agency by stressing "we" and "our agency." The term "just an agent" will not be tolerated. This makes the agents boosters for the agency and has a wonderful effect in attracting new men.

The easiest thing to do in the management end of the life insurance business is to champion the agents. First, men must be secured who are worthy of being championed. Once such men are secured it is a pleasure to build them up.

There are many ways in which a general agent can increase the prestige of his men. One is getting right out on the firing line occasionally and helping in closing sales. This is a sure way of keeping himself sold to his agents.

Mr. Orr tries to give the agency every possible advantage of advertising of one kind or another. Incidentally, he thinks his men are best advertisements.

"If our men will not go out on the street and be a walking advertisement for us in everything they do or say, then we are wasting our money to attempt to attract men to our agencies through other means," Mr. Orr declares. A great deal of time is spent working on estate planning.

Practically all the recruiting done

has been through personal contacts. A center of influence file is kept of all the people who have a friendly interest in the success of the agency. Mr. Orr writes them several times a year telling them how the agency is making out. This is appreciated. Through this personal reference method, prospects are continually referred to Mr. Orr.

Likes "Spot-Recruiting"

Mr. Orr likes what is called "spot recruiting". He selects a town, city, suburban district, club, church, fraternity, college, or any other similar group, and focuses his attention on that particular group until he finds a representative for Massachusetts Mutual.

Advertising his agency among the insurance fraternity is important, in his opinion. Free notary public service to all life insurance men, regardless of their affiliates, is available at the agency. As a result, there is a constant flow of life insurance men in and out of the office daily. This not only secures surplus business but also good will.

Many agents recruited had to be financed. It has been found that it is unwise to invest money in any but first-class men.

Where there is an occasion to finance men, Mr. Orr helps the new men work on a budget. He has a number of men in his agency who have been working on this plan for three years now. He sends his check for their rent, automobile and personal life insurance, and then a separate check each week to cover their living expenses. This service is appreciated, the men go about their work with a great deal of confidence and do not have to worry.

Service is what counts. It must be kept up daily.

The general agent must be the agency's chief recruiter. Others may help, but he simply must keep his hand in if proper use is to be made of his prestige and contacts. "I am sure that I will never have a recruiting problem as long as I can keep myself sold to my agents," Mr. Orr says. They are my best advertisement, for as long as I provide a happy agency situation for them, there are bound to be others who will want to share the privilege and benefits of joining our organization. I am sure it can be done."

Free War-Risk Coverage to Be Provided by Britain

NEW YORK—Free war risk insurance will be provided by the British government for damage and loss of life caused by enemy attackers, Sir John Simon, chancellor of the exchequer, has announced, according to the New York "Times." The plan includes insurance on commodities for export.

Sir John is said to have agreed with underwriters in their refusal to accept such policies as an insurance proposition. Sir John refrained from promising full indemnity, saying that after hostilities were over payments would be made in such proportion "as circumstances make possible."

The government's arrangements with the underwriters involve premium payments. These involve government reinsurance of up to 80 percent on British ships, but not on voyages begun before an "emergency" arises; similar reinsurance without limit of coverage, the aim being to forestall a paralysis of trade; insurance of essential war stocks under a compulsory plan, whether in the hands of importers, manufacturers or retailers. This coverage will be handled by Lloyds and fire companies, no premium except a registration fee being payable in peace time.

H. Clay Evans Johnson, assistant manager of agencies, Interstate Life & Accident, son of President J. W. Johnson, has been named "Young Man of the Year" in Chattanooga during 1938, and was presented a gold key by representatives of the United States junior chamber of commerce.

Third Generation in Equitable, Ia., Rises to President

Frederick W. Hubbell at Helm, Henry Nollen Board Chairman

DES MOINES—The grandson of the late F. M. Hubbell, who founded the Equitable Life of Iowa 72 years ago, has been named president, the third member of the family to hold that position.

Frederick W. Hubbell, vice-president and treasurer of the Equitable for 19 years, is the new president, elected at the annual meeting of trustees.

He succeeds Henry S. Nollen, who was made board chairman in place of F. C. Hubbell, who becomes chairman of the finance committee.

James W. Hubbell, secretary, was elected secretary and treasurer. He is a grandson of the founder, member of the board and finance committee.

F. W. Hubbell and James W. Hubbell are sons of F. C. Hubbell, who formerly was president.

Nollen Remains Active

It was announced that Mr. Nollen will continue to serve the company actively. He also will be chairman of the executive committee. He has been active in affairs of the Association of Life Insurance Presidents, serving as a member of its executive committee. He also was general chairman of the committee in charge of the recent convention of the insurance commissioners in Des Moines.

Mr. Nollen became associated with the company in 1913, serving as executive vice-president. In 1921 he was elected president.

The new president of the company has been associated with the Equitable during his entire business career. While in college he spent his summer vacations working in the various departments of the company.

After graduation in 1913 from Harvard, where he specialized in insurance and actuarial science, he entered the company's finance department as assistant treasurer. In 1914 he was made treasurer and in 1920 became vice-president.

Big Increase in Period

During the 18-year period Mr. Nollen was president, the assets increased from \$14,000,000 to \$182,000,000, insurance in force from \$77,000,000 to \$577,000,000, and operations were extended into many states.

Employees were guests at the annual founder's day dinner marking the 72nd anniversary. About 350 were present, including members of the board.

Kreinberg in Cleveland Practice

Herman G. Kreinberg, formerly assistant attorney-general of Ohio, assigned to the insurance department, has now returned to the private practice of law and intends to specialize in insurance matters. He is located in the Standard building, Cleveland. Before being assigned as counsel for the insurance department he was corporation counsel in the office of the secretary of state for four years.

Seminar at Memphis

MEMPHIS, TENN.—A one-day, life insurance seminar, sponsored by the Life Managers Association, was held with Dr. Verne Steward as director.

1939[★]
will!

★
nineteen-thirty-nine will reward fighters!
OCCIDENTAL LIFE : LOS ANGELES
W ←
Horace Greeley was right



BMA's

RECORD OF PROGRESS SHOWS THESE GAINS FOR

1938

NEW ALL TIME HIGHS

	GAINS
Total Life Insurance in Force.....	\$116,232,104.00
Total Admitted Assets.....	17,800,142.11
Total Income for Year.....	6,200,157.39
Excess Security to Policyowners.....	1,641,566.63
	\$1,574,560.00
	1,901,592.82
	91,486.83
	161,225.61

CONDENSED FINANCIAL STATEMENT

December 31, 1938

ASSETS	RESERVES AND SURPLUS
First Mortgage Loans.....	\$ 7,094,707.33
Bonds.....	5,430,154.26
Loans to Policyowners.....	1,948,614.07
Cash in Banks.....	591,848.52
Home Office Building.....	1,050,000.00
Other Real Estate.....	784,540.23
Interest and Rents due and accrued.....	172,537.69
Premiums in Course of Collection.....	727,740.01
TOTAL	\$17,800,142.11
	Reserve to Guarantee Policy Obligations.....
	\$15,422,905.85
	Reserve for Taxes.....
	159,880.28
	Reserve for Premiums and Interest Paid in Advance.....
	419,727.23
	Reserve for Other Miscellaneous Obligations.....
	156,062.12
	Total Reserves
	\$16,158,575.48
	Capital Stock
	\$500,000.00
	Contingency Funds
	250,000.00
	General Surplus
	891,566.63
	Excess Security to Policyowners.....
	1,641,566.63
	TOTAL
	\$17,800,142.11

RATIO OF \$110.16 ASSETS FOR EACH \$100.00 LIABILITIES

These figures show that B.M.A. has \$110.16 assets for each \$100.00 of liabilities—a ratio equalled by few American Life Insurance companies, even including the oldest and largest in the country. For detailed 1938 Financial Statement, write the Business Men's Assurance Co., B.M.A. Bldg., Kansas City, Missouri.

More Than \$42,900,000.00 Paid Policyowners and Beneficiaries Since Organization

BUSINESS MEN'S ASSURANCE COMPANY

Home Office—Kansas City, Mo.

Branch Offices:

CEDAR RAPIDS
CHICAGO
CHARLESTON
COLUMBUS

DENVER
DETROIT
INDIANAPOLIS
KANSAS CITY
DALLAS

LOS ANGELES
LOUISVILLE
MADISON
MILWAUKEE
LITTLE ROCK

OAKLAND
OKLAHOMA CITY
PORTLAND
SALT LAKE CITY
NASHVILLE

SAN FRANCISCO
SEATTLE
SPRINGFIELD
WICHITA
SAN DIEGO

N. Y. Code Bill As Introduced Contains Few Changes

The proposed revision of the New York insurance law, as contained in the bill that has now been introduced, is far less of an overhauling of the structure than was earlier anticipated.

The bill contains a few radical changes from the existing law. The committee has taken the position that it should, wherever possible, eliminate controversial subjects from the bill, and that recommendations of the department or others should be set up in separate bills at a later date after the recodification bill has been enacted.

The bill rearranges the provisions of law in a more logical manner. It undertakes to write into the law provisions which have been in the past department

rulings. The investment section has been made less liberal.

The bill also provides for the incorporation of medical non-profit corporations, and examination of the life insurance agent with certain limited exceptions.

Cochran Agency Conference

SPOKANE, WASH.—Representatives of the Mutual Life of New York in Washington, Montana and Idaho gathered here. Sales records were reported broken in the year. P. L. Cochran, manager, presided and extended welcome. Keynoter for 1939 was N. V. Carmack, agency organizer and instructor.

Stanley Reed Recovering

Stanley Reed, associated with his brother McKay Reed, as general agents for the John Hancock Life, at Louisville, is recovering in a local hospital of gall bladder infection, and is past the danger stage.

Here's to The New Year

The same Intensive Cooperation with Representatives

The same Prompt and Conscientious Service to Policyholders

The same Traditional Integrity of the same Sound Company

May 1939 be your year, too



GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood
President

Home Office
Houston, Texas

Smrha Hits Pink on Examination Stand

Nebraska Insurance Director Makes Public Letter to N. Y. Superintendent

LINCOLN, NEB.—In a politely-worded but curt letter to Superintendent Pink of New York, Insurance Director Smrha of Nebraska protests the recent action of Mr. Pink in declining the services of convention examiners in the audit of four New York companies, allegedly after having invited their cooperation. D. R. Hodder of Nebraska is one of them. Mr. Smrha writes that Mr. Hodder is a capable man, and "I do not feel at all happy over the situation, and would deplore being directly or indirectly a party to any activity which

Commissioners Parley Will Be Held in Chicago

The executive and examination committees of the National Association of Insurance Commissioners will meet in the Palmer House, Chicago, next Tuesday for a joint conference. It is likely that the officials of the organization will also attend. L. H. Pink, New York, is chairman of the first named committee and J. G. Read of Oklahoma the second. Seemingly there are problems yet to be solved in the zone convention examination scheme. A number of disputes have arisen. Some commissioners are urging the association develop its own battery of expert examiners.

The meeting was called primarily by the issue precipitated by Smrha of Nebraska.

According to word from New York Pink expressed willingness to have other states represented in the examinations of several large companies, but held they should be limited in number. The Nebraska representative apparently reached town after the allowed quota of examiners had been reached and was barred from the examination. This resulted in an exchange of letters between Smrha and Pink.

might lead to a rupture between the department of New York and the departments of other states."

"If a convention could be made to function along the same lines that your own examinations are conducted, then there would be no objection on your part because the examiners are not residents of New York. I take it that the examiners you now have were not always residents of New York," Mr. Smrha adds.

"It occurs to me that there is no satisfactory solution to the eternal question of whether or not New York and other eastern states shall voluntarily submit to convention examinations. No one doubts your sincerity in your insisting you are charged with the obligation of complying with the statutes of your own state, which obligation cannot be modified by any action of a commissioner's convention. Since the laws of other states, however, also contemplate or require that examinations of foreign insurance companies be made, there is an obligation on the commissioners of other states which they cannot lightly shirk.

"I am passing this observation on to you with the thought in mind that if we could divert our minds from the question, Shall or shall not convention examinations be held in the state of New York and other eastern states, and apply ourselves diligently to the problem of working out a method by which convention examinations may be held that will be efficient and at a cost commensurate

Harry Wright Heads Agents Campaign to Woo Public

A special committee on life insurance information, designed to bring to the public the accurate facts about the agent and the business, has been constituted by the National Association of Life Underwriters. Harry T. Wright, Equitable Society, Chicago, is chairman. The special committee will take the place of the old committee on publicity.

Four of the 1939 objectives of the National association have to do with the dissemination of information, Mr. Wright said, and it will be on these points that the committee will concentrate. "The association," he said, "has pledged to undertake to bring to the agent the prestige to which he is justly entitled, develop all possible means to disseminate sound information regarding the institution of life insurance, aid the companies in bringing pertinent facts about life insurance to the public, and save policyholders and beneficiaries from being misled by those who seek to tear down legal reserve life insurance."

Plans are being formulated for a campaign of public information for use by local and state life underwriters associations. The first move in the campaign will be the appointment of local and state committees.

A booklet, now in the process of preparation, will soon be sent to all local and state chairmen, outlining the purposes and ideas of the campaign.

The other members of the committee are: Harold P. Cooley, Portland, Me.; L. M. Buckley, Provident Mutual, Chicago; Olof H. Jacobson, Denver; Eric G. Johnson, Penn Mutual, Pittsburgh; Paul C. Kaul, Topeka; Vernon Krochel, Cleveland; E. A. Krueger, State Life, Indianapolis; C. H. Poindexter, Northwestern Mutual, St. Louis; James W. Ross, Mutual Benefit, Peoria; O. P. Schnabel, Jefferson Standard, San Antonio; Earl M. Schwemm, Great-West Life, Chicago, and J. I. Thompson, Akron.

Will Have Full Time Man

The American Life Convention has decided to have a full time publicity man at its Chicago headquarters. D. R. Schilling has been acting in that capacity and will continue until March 1. David F. Barrett of St. Louis, who was in charge of publicity when the organization headquarters were in St. Louis, has been engaged on the new basis and will spend three days a week in Chicago to try out the plan. Eventually, he may give all his time to the American Life Convention. He was highly satisfactory in his former work. Mr. Schilling has been doing the publicity work ever since the American Life Convention moved its headquarters to Chicago.

with the service rendered, we should be able to arrive at some satisfactory solution."

Only four things need be done, Mr. Smrha said. These are: Adopt a uniform method of procedure in conducting an examination, which would indicate where to begin, where to end and what is necessary to check; establish and adopt prescribed qualifications for examiners, stringent enough to meet the New York standard, on the theory that commissioners have the power to prescribe such qualifications asked to operate outside their own state; establish a schedule of fees based on requirements of the various states, application of reciprocal laws, and the class or type of work to which an examiner is assigned, and clothe the examiner in charge with disciplinary powers, placing him in a position to demand that the examining force apply themselves with diligence and require that they be governed by such rules and regulations as may be prescribed for the conduct of examining personnel.

44th ANNUAL STATEMENT

as of December 31, 1938 of the

Kansas City INSURANCE COMPANY

KANSAS CITY
MISSOURI

ASSETS

Cash in Banks.....	\$ 997,529.91
*Bonds—	
Federal Government	31,764,384.12
State, County, Municipal and School.....	15,521,050.05
Railroad, Public Utility and Others.....	213,209.51
First Mortgage Real Estate Loans—	
On Farm Property.....	11,770,981.92
On City Property.....	8,510,826.92
F. H. A. Loans on City Property.....	2,203,360.98
(Insured and Guaranteed by U. S. Government)	
Loans on Policies.....	20,528,859.01
(Secured by Legal Reserve)	
Collateral Loans	22,772.34
Accrued Interest on Investments.....	1,195,123.22
Contracts of Sale of Real Estate.....	850,914.34
Farm Properties Owned.....	7,162,645.42
City Properties Owned.....	3,632,195.57
Home Office Building.....	1,340,132.50
Net Premiums Deferred and in Course of Collection.....	2,753,074.75
(Secured by Legal Reserve on Policies)	
Total Net Admitted Assets.....	\$108,467,060.56

LIABILITIES

Legal Reserve	\$ 99,042,056.00
(Present Value of Every Policy Obligation)	
Claims Due and Unpaid.....	None
Incompleted Policy Claims.....	
(Claims incurred on which proofs have not been filed or completed)	438,480.66
Dividends Payable on Policies.....	943,426.36
Interest and Premiums Paid in Advance.....	649,182.55
Set Aside for Taxes Payable in 1939.....	250,000.00
Other Accrued Expenses	122,474.44
Surplus Unassigned	6,021,440.55
Paid-Up Capital	1,000,000.00
Total	\$108,467,060.56

*If all Bonds were valued at market price, over \$1,500,000 would be added to the Unassigned Surplus shown above. Hence the total Surplus to Policyholders, which includes the Company's Capital of \$1,000,000.00, is approximately \$8,500,000.00.

Insurance in Force..... \$443,055.919

SEC Wants to Go Into "Fight with Fists Flying"

(CONTINUED FROM PAGE 1)

the information sought can readily be supplied from available company records. The companies have been requested to return the completed questionnaires to Washington by April 1 and members of the SEC staff have been placed at the disposition of the companies for consultation.

Actual and Book Values

It was explained at the commission that the questionnaire requests the companies to furnish the actual market value and book value of all securities carried in their portfolios as of the close of each calendar year since 1931. Detailed information with respect to real estate acquired through foreclosure has been requested.

Due to the substantial proportion of new corporate security issues being purchased directly from the issuers by insurance companies—one of the major points of attack by SEC—the commission has requested a complete list of such issues and the amounts thereto purchased since Jan. 1, 1932, together with information concerning any agreements or private understandings which the companies may have with the issuers covering future issues and with respect to the control of management or financial policies of such issuers.

Complete information concerning the farm and city real estate held by the companies also is being sought. Detailed breakdowns of mortgages and real estate owned by types and location are asked for, in addition to the dates of the latest

appraisals, the basis upon which and by whom such appraisals were made; the amounts of interest delinquent and the periods of their delinquency; the amount of rehabilitation expense charged to income and the amount of such expense added to the capital cost of the properties.

Another section asks for detailed data pertaining to real estate sold under contract and foreclosed real estate subject to redemption; information is requested as to the amount of funds invested in housing projects, and a detail statement of income and expenses of such projects over a period of years is required.

While this questionnaire, and the more general questionnaire originally sent out, are covering only the legal reserve life companies, it was said at the commission that its study will cover the entire private insurance field and that later other branches of the industry will be investigated.

The questionnaire, it was said, has been designed to cover ordinary situations found in life insurance companies, but has not been made to take account of every possible important item or factor, and it will be left to the individual companies to complete the information desired by including such items or explanations as may be necessary.

The companies to which the questionnaire has been sent are: Metropolitan, Prudential, New York Life, Equitable Society, Mutual Life; Northwestern Mutual, Travelers, John Hancock, Penn Mutual, Mutual Benefit, Massachusetts Mutual, Aetna Life, New England Mutual, Union Central, Provident Mutual, Connecticut Mutual, Pacific Mutual, Connecticut General, Phoenix Mutual, Bankers Life of Iowa, National Life, State Mutual Life, Equitable of Iowa, Western & Southern, Lincoln National and Guardian.

The Securities & Exchange Commission is now giving indication of an intention to sensationalize its investigation of

insurance as a phase of the federal monopoly probe. Until two or three weeks ago it appeared that SEC had decided to conduct its inquiry along rather academic lines and not strive to make epochal history. Previous to the elections last fall there was a good deal of obviously inspired editorializing particularly on the part of columnists and the business tipster services that SEC was girding for some spectacular tilts with insurance giants. A good deal of provocative material appeared in these various columns. Most of it was of similar content and tone, indicating that the columnists had all had a shot from the same needle.

Now again the columnists are predicting some epochal onslaughts on the insurance business by the SEC inquisitors. For instance, the column "The Capital Parade" by Joseph Alsop and Robert Kintner states that the monopoly investigators will soon go into a fight "with its fists flying."

Pearson & Allen Smack Lips

Then the "Washington Merry-Go-Round" by Drew Pearson and Robert S. Allen predicts that the SEC investigation will prove to be bigger and better in every way than the Armstrong investigation of 1905-6. The SEC investigation, Pearson and Allen opine "will show that the evils exposed by Charles Evans Hughes more than three decades ago are as rampant as ever." Pearson and Allen state that the SEC investigators have been reading the transcript of the Armstrong investigation hearings and are getting their ideas on how to proceed from that document.

Ray Tucker in the "National Whirligig" has made the discovery that the insurance companies are suddenly making a lot of investments so as to be able to prove to the SEC investigators that they are making good use of their funds.

The SEC is trying to get an appropri-

Woman Leader



HAZEL ROBERTS

The leading woman agent of Pacific Mutual in 1938 was Hazel Roberts of Dallas. That was her first year as a full time agent. She was the leader of the Swinney general agency and she was in the 18th place in the entire Pacific Mutual field.

ation of \$300,000 to finance an insurance investigation. It is likely that those who desire to "go into a fight with fists flying" are trying to create the notion that there is a lot of scandal to be unearthed in the insurance industry if only the Congress will pay for the boring. The idea seems to be to hold a hearing, try to hit hard on that occasion, get a lot of publicity and try to convince the congressmen that the surface had only been scratched and with \$300,000 the SEC could produce some really entertaining reading.

T. C. Blaisdell, Jr. is in charge of the insurance investigation. His father is a professor in Yale Law School. Gerhard Gessell is one of the principal technical advisers. He was until a few months ago actuary of Colorado Life. Earl Wightman, former comptroller of Lincoln National Life, is another insurance adviser to SEC. It is intimated that Mr. Blaisdell is about out.

CLARIS ADAMS' VIEW

COLUMBUS, O.—President Claris Adams of the Ohio State Life at its agency banquet stated that the SEC investigation had assumed a rather ominous aspect. He deplored any movement that might lead to the political control of the \$28,000,000,000 of life insurance assets. He said that the history of trusteeship in life insurance had been magnificent. He foresaw no greater calamity to overcome the business than planned economy. The character of state supervision, he said, will have much to do in the arguments against federal supervision. State supervision, he said, has given a very good account of itself and so far as the public and the insurance interests are concerned there is very little to complain about it. He said, for example, that Actuary W. A. Robinson of the Ohio department was one of the greatest assets the state possesses. He fears that the SEC investigation will assume an undue spectacular phase in order to create political thunder. Then the denouement may be federal supervision.

Stubbs Demonstrating Plan

J. H. Stubbs of the Farnsworth agency, Equitable Society in Boston, is one of the men chosen to demonstrate Equitable's "Assured Estates" plan in agency offices during the next three months. He will work in mountain and Pacific Coast states. He has been successful as an agent and teacher.

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Art Metal Construction Co.
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Branches and sales agencies in 600 cities.

Clinical Discussions Feature Meeting

Massachusetts Mutual General Agents 4-Day Parley at Palm Beach

A round table clinic opened the annual conference of Massachusetts Mutual General Agents Association at Palm Beach, which is being held Tuesday through Friday this week.

Building good will and enthusiasm, the necessity for operating on a sound business basis, new organization building, finding and selecting agents and recruiting methods were among the subjects discussed the first day.

Participating in the discussions were Chairman C. O. Fischer, vice-president; Frank Howland, Memphis; J. M. Blake, field service manager; A. R. Houle, St. Paul; W. M. Benton, secretary; J. S. Brauning, Boston, and A. D. Lynn, home office.

Other speakers were W. S. Smith, Louisville, and E. L. Mallon, assistant director of agencies, who led discussions on maintaining reasonable personal production until sufficient organization is established to cover production requirements. Need for personal efficiency was discussed by Robert Altick, Wilkes-Barre, and C. W. Hall, assistant director of agencies.

Sales Increase Due to Agent's Efforts

C. W. Reuling, Peoria, association president, was chairman of the Wednesday session which was featured by the annual address of B. J. Perry, president of the company. Mr. Perry said that it was his sincere conviction that the abnormal sales increase enjoyed by Massachusetts Mutual and other companies during the last months of 1938 was the result of increased effort by life underwriters in the field rather than a public consciousness of coming changes in new policies. While information of changes stimulated the urge to buy on the old basis, he said the greater stimulation was the psychological impetus which motivated sales forces to call on more prospects.

Harvey Campbell, vice-president-secretary Detroit Board of Commerce, spoke on "1939, the Salesman's Year." Vice-President Fischer spoke on "The General Agent's Job."

Wednesday evening President Perry presented 25-year service emblems to Mr. Fisher, A. H. Challiss, Seattle; J. F. Davis, Baltimore, and Harry Davis, Atlanta.

Sales ideas that work and selection tests were discussed on Thursday. Participating were J. C. Behan, vice-president; A. K. Kurtz, Life Insurance Sales Research Bureau, and L. E. Simon, New York City.

Home Office Staff Meets

Friday's session is given over to the home office agency department staff for discussion of plans and materials for the assistance of general agents and personal producers of the company. Recruiting, training, agency office management, sales promotion and home office service will be covered. A feature will be an address by M. R. Orr, Philadelphia, who will stress the importance of the general agent building and protecting his own prestige, not only with outsiders but more especially with his agents whose production and recruiting help are vital factors in the constant process of building and maintaining a selling organization.

At the close of the meeting the officers for the ensuing year will be elected. Following the election J. F. Cremen, Washington, will speak on "My Company."

Price Named at Shelbyville, Ind.

Clarence J. Price has been appointed general agent for the Pan-American Life in Shelbyville, Ind. He entered the busi-

ness six years ago in Indianapolis and joined the Pan-American Life as a supervisor in Indianapolis a year ago.

Massachusetts Mutual Life Promotions Are Announced

R. R. Coombs has been appointed assistant to the president of the Massachusetts Mutual, J. L. Marchese becomes assistant secretary and L. M. Huppeler, agency assistant. Mr. Coombs has been connected with the company since September, 1907, starting as a stenographer. He organized the planning department. He was elected as-

sistant secretary in January, 1922.

Mr. Marchese started his career with the company as a clerk in the mailing room in November, 1911. In 1931 he was made head of the benefit department at the home office. Mr. Huppeler is a graduate of the University of South Dakota and became a life agent at Syracuse, N. Y. He became a district manager and then associate manager at Binghamton, N. Y. He started with the agency department of the Massachusetts Mutual last April.

Moszkowski Returns to N. Y.

NEW YORK—G. A. Moszkowski, president American International Un-

derwriters and chairman United States Life's foreign business committee, has returned to New York after being away in Europe and Asia on a business trip since early October.

To Convene in September

Aetna Life will hold its 1939 regional convention at the Broadmoor Hotel, Colorado Springs, Colo., in September. Three men from the Chicago office, R. LeBoy, A. E. Hicks and W. W. Vincent have qualified thus far. To do this each qualifier must write at least \$150,000 with a minimum of 10 lives and \$3,750 paid in premiums.



A John Hancock advertisement promoting the readjustment income plan.

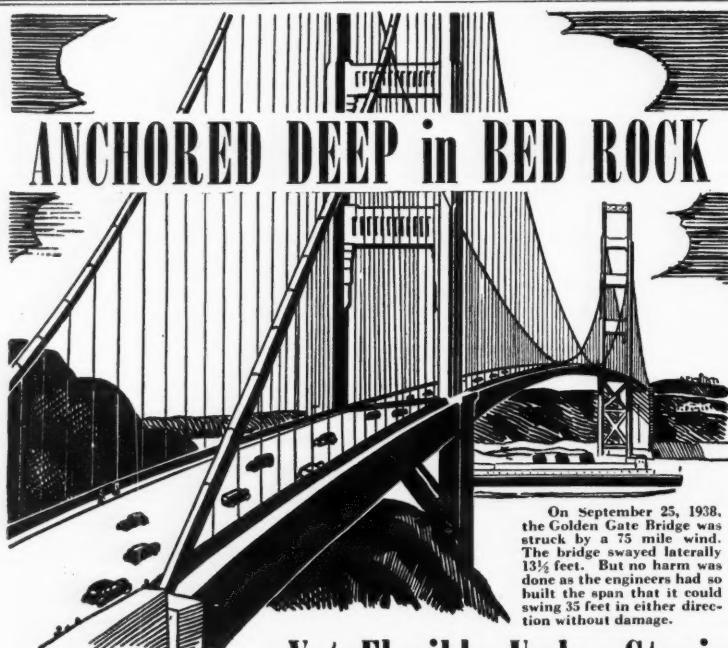
FOOD ON THE TABLE—A ROOF OVER THEIR HEADS—life's essential comforts—these are assured to children whose fathers have protected them under the John Hancock readjustment income plan.

Our national advertising tells the story of this attractive plan, and our practical sales kit contains all the tools that help our field men in its presentation. Naturally, they find the readjustment income plan a best seller.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

GUY W. COX, President



ANCHORED DEEP in BED ROCK

... Yet Flexible Under Strain

LIKE San Francisco's famed Golden Gate Bridge whose piers go deep below the surface into bed rock, NWNL has its foundations safely anchored in the sound, conservative principles of management which govern every phase of the Company's operations. As its depression record demonstrated, NWNL also is built to meet any emergency—to absorb financial shock or strain. — Consider, for example, these typical extra margins of SECURITY which NWNL gives its policyholders:

★ For a number of years the reserves on new business have been augmented by setting aside in Contingency Reserves—as a surplus item and, in a test of solvency, not a liability—an amount equal to the difference between a 3 per cent reserve and the 3½ per cent reserve on which the Company's policies are issued. More than 50 per cent of the Company's business was thus protected by a 3 per cent reserve at the year's close.

★ Rather than take credit for any asset about which there is any question, the Company's surplus funds and voluntary contingency reserves of \$5,265,319 have been placed on an unusually conservative basis by reducing to actual market values, through an appropriate asset fluctuation reserve, bonds on which market prices suggest possible losses, even though these bonds are eligible for amortization, have high credit ratings, and are in no way in default.

★ The statement still holds, as it has for many years past, that if on December 31, 1938, the impossible had happened and every policyholder and beneficiary had come and demanded from the Company all the cash to his credit—guaranteed cash or loan values, dividends and policy proceeds left with the Company, premiums paid in advance, etc.—the Company's bonds, sold at market prices on that date, alone would have been more than sufficient to have paid all such demands in full, leaving many millions in other sound assets untouched.

SECURITY for policyholders is NWNL's first and foremost consideration.

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

Shifting Largely to Participating Plan

(CONTINUED FROM PAGE 3)

recalled the stiff necked, narrow minded, obstinate medical director of the old days, who rejoiced in his high percentage of rejected risks. The position is now completely changed. The modern medical director saves as much business as he can. The substandard plan has been a boon to all. He welcomed the intercession of the agency department because it is in close contact with the field.

Average Age 51 Years

Dr. Herron stated that in analyzing the average age of the beneficiary last year, the Ohio State found it was 51 years. The occupational group constituted the largest number of rejections. Next was overweights followed by high blood pressure and those with albumen in the urine. The presence of sugar, said Dr. Herron, means one has diabetes or not. If he has diabetes there is no way to rate him. If not he can be safely written. There is a border line group of potential diabetics that forms an uncertain proposition.

Dr. Herron asserted that of the cases rejected by the Ohio State last year one-third had been declined by other companies. Many of these did not reveal this either to the agent or medical examiner. Cancer, he added, is a leading cause of mortality. Most companies will write a case showing no symptoms for 10 years, although he said it is difficult to get accurate history.

Agency Vice-president F. L. Barnes presided at Tuesday's sessions and Agency Superintendent W. V. Woolen at the Wednesday meeting when part of the time was devoted to accident insurance.

Charles J. Zimmerman's Talk

At a conference of general agency managers, Charles J. Zimmerman of Chicago, general agent Connecticut Mutual Life and vice-president of the National Association of Life Underwriters, spoke on "Building Morale." He urged building a success atmosphere in an agency and declared that a person visiting an agency can tell in one minute whether it has the success complex or the defeat complex. He urged the dramatization of sales contests and careful planning, declaring that a going concern is "a lot easier to go" than one that is not "going." The financial objective, he declared, is not enough with a good agent, but that he must have come other inspiration too. The office force, he asserted, can build or destroy an agency, and he declared that to succeed in life insurance one must have an intense desire to succeed and be willing to pay the price.

Fred W. Hoch of Marion, O., and Henry Stevens of Toledo were given awards for 20 consecutive years in honor club membership. J. C. McFarland of Cincinnati, the leading producer in 1938, was elected president of the President's Club and Alfred Guay of Los Angeles secretary. Henry Stevens of Toledo was elected president of the Honor Club and E. S. Spear of Gallipolis, O., secretary. Claude Warley, Akron, O.; E. G. Siebert, Marion, O.; H. E. Van De Walker, Detroit; W. H. Hecht, Celina, and Mr. McFarland were elected to the executive committee of the managers association.

Roger B. Hull's Address

The agent today must be more than a seller, he must be an assistant buyer, Roger B. Hull, managing director, National Association of Life Underwriters, declared in addressing the Ohio State Life convention.

"Your inspired salesmanship must be geared to create intelligent buyership," Mr. Hull said. "You must honestly interpret your insured's needs and fit your service into his hopes and fears, his plans and prospects for a fuller future. You must help him to keep his protection in force, when the pinch comes and

Canadian Association Elects New President



W. C. LAIRD

W. C. Laird of Toronto was elected president of the Life Underwriters Association of Canada at the annual meeting. Mr. Laird is manager for the London Life at Sterling Towers, Toronto.

Let Down Is Noticed After the End of Year Rush

HARTFORD.—Hartford life companies witnessed the expected falling-off in business after the December rush, although the issued and paid for volumes will be unusually high as a result of December business which came in very late in the month or early in January. There was a noticeable decline in applications early in the month, but toward the latter part of January, agents seemed to be getting back to normal.

R. W. McCreary, Aetna Life agency secretary, said that January business for his company has held up very well, and he does not appear to be surprised. "The men worked hard," he said. "They worked hard enough in December to really get a drive going, and there seems to be a definite hangover of enthusiasm."

Both the Phoenix Mutual and the Connecticut General, whose rate changes go into effect this month, continue to enjoy large volumes of new business.

He is not only tempted but urged by some selfish advisor to drop out of line. You must take on the details of distribution of the proceeds, so that your insured can be confident that his life insurance estate will carry out his objectives. You must follow changes in situation of your client, and be sure that beneficiary provisions are consistent with his new conditions.

Superintendent Lloyd Spoke

There were present at the banquet from the insurance department, Superintendent John A. Lloyd, Deputy Superintendent J. R. Crabb, Actuary W. A. Robinson, Assistant Superintendent Raymond Rhoades and Warden L. U. Jeffries. Mr. Lloyd spoke at the banquet stating that his first life insurance policy was taken in 1918 with the Ohio State Life. He took it because he was acquainted with a director who lived at Portsmouth, O., his home and the agent who sold him the policy was a very dependable and useful citizen. He was drawn to the company, he said, by the character of these men. Therefore he laid great stress on the men behind a company.

President Adams acted as master of ceremonies. C. M. Cartwright of THE NATIONAL UNDERWRITER gave a talk at the banquet.

Interesting Points in Statements

(CONTINUED FROM PAGE 2)

assets \$33,684,148. Insurance written during 1938 was \$20,729,662 and insurance in force is now \$135,723,650, a gain of better than \$2,000,000.

LIFE OF VIRGINIA

The Life of Virginia in 1938 reached two milestones in its 68-year history, namely, the passing of the \$100,000,000 in admitted assets and the attainment of more than \$500,000,000 of insurance in force. These figures represent respectively increase of \$5,324,000 and \$24,325,724.

Approval was given by stockholders to a charter amendment permitting investment of the funds according to the laws of Virginia.

AMERICAN MUTUAL LIFE

The American Mutual Life of Des Moines shows an increase of \$1,626,310 in assets. President A. H. Hoffman, in his annual report, announced plans for expansion of agency operations. The assets are now \$28,851,307. There is a gain in surplus of more than \$125,000. Earnings for the year average 4½ percent. President Hoffman stated that the company will continue its present rate of dividends to policyholders. He said that it is now in the most liquid position in its history. He stated that 65 percent of all the investments are in federal bonds and those of other political subdivisions. There was a further decrease in the mortality ratio and a larger cash balance. It has paid to policyholders since organization \$79,068,395. He stated that the plan is to expand its agency operations very materially in the mid-west.

PILOT LIFE

Assets of Pilot Life at the end of 1938 amounted to \$19,654,848, increase \$1,604,167, or 9 percent. President E. C. Green points out that the mortgage loan account was increased by \$877,975 and stands at \$9,358,891, of which more than half are guaranteed by the government. Real estate was reduced by \$158,497.

Insurance in force is \$130,433,472, increase \$4,219,130. Sales amounted to \$30,901,949. Payments to policyholders and beneficiaries amounted to \$1,644,078. The mortality ratio was 54.8. Premium income was \$3,609,599, increase \$97,701. The average sized policy was increased by 5 percent.

A bonus of 5 percent of 1938 salaries was approved for Pilot Life employees.

KANSAS CITY LIFE

Kansas City Life in its new statement reports assets \$108,467,060, a gain of more than \$3,000,000. Policy reserve amounts to \$99,042,056, capital \$1,000,000 and net surplus \$6,021,440. Had bonds been valued at market price instead of amortized, surplus would be increased by \$1,500,000. Hence on a market value basis surplus to policyholders would be about \$8,500,000.

AMERICAN SAVINGS LIFE

American Savings Life of Kansas City in its new statement reports assets \$2,346,401, increase \$189,542. Policy reserve is \$1,639,172. Capital is \$200,000 and net surplus \$115,845, an increase of \$30,767. American Savings in 1938 paid beneficiaries and policyholders \$309,368. It writes life, hospitalization, accident and health.

CENTRAL LIFE, IA.

Central Life, Ia., had net admitted assets \$57,533,663.55 on Dec. 31, increase \$291,451. Insurance in force \$162,291,451.

MUTUAL TRUST LIFE

Mutual Trust Life has issued its new statement, showing assets \$43,588,261, in-

crease \$3,589,399; surplus is \$3,122,575, increase \$176,613. Insurance in force amounts to \$171,479,183, a gain of \$3,589,399. There was paid to policyholders and beneficiaries during the year \$3,216,808. The cash yield upon assets as a whole was 4 percent. The mortality ratio was 40.

PROTECTIVE LIFE

Protective Life of Birmingham increased its assets from \$10,466,000 to \$11,273,000. Its policyholders surplus increased from \$1,341,109 to \$1,452,231. Insurance in force was \$110,531,429. A regular dividend of 6 percent was declared and a special dividend of 1 percent. There is a gain of 7.5 percent in premium income. The interest income increased by 12.1 percent.

GUARDIAN LIFE

Assets of Guardian Life as of Dec. 31, 1938, reached \$132,964,301, increase \$8,193,715. There is a new special investment fluctuation reserve of \$1,000,000. The special real estate reserve is \$732,995 and net surplus is \$5,213,728. Insurance in force is \$489,480,877, gain \$7,923,366. Payments to policyholders during the year amounted to \$13,074,764, increase \$1,347,118. New paid life insurance was \$45,707,838, decrease 9 percent. The mortality ratio was 52.52.

AETNA LIFE COMPANIES

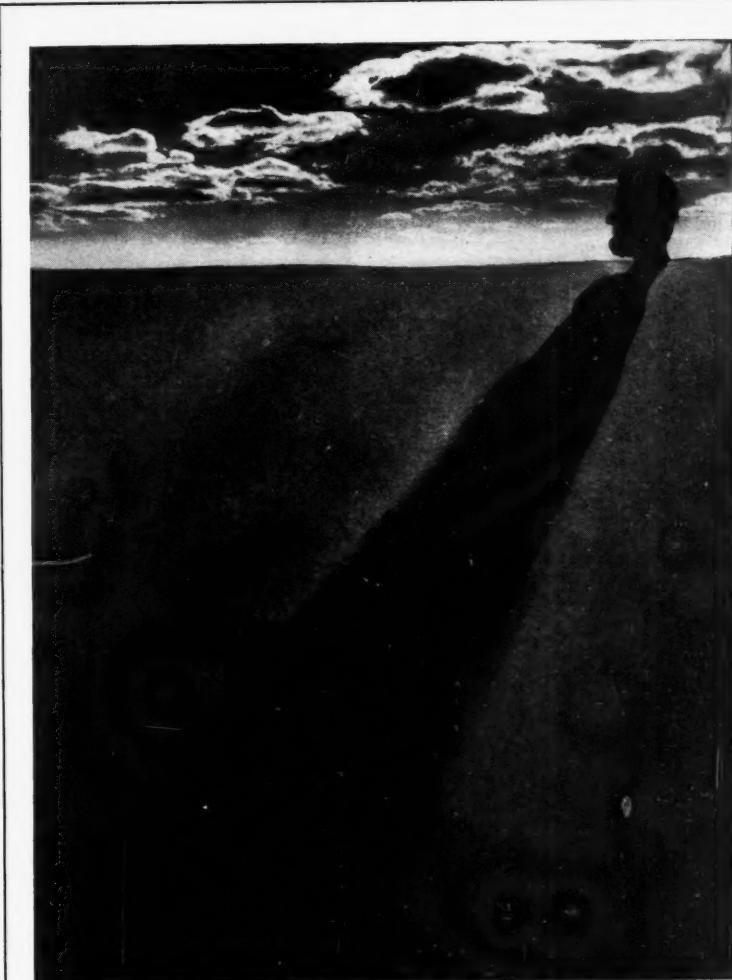
Premium income of the Aetna Life companies in 1938 was \$151,840,568. This is a decrease of 1.2 percent from 1937, which was the highest year in history. Premiums were divided Aetna Life, \$104,108,829; Aetna Casualty, \$33,652,283; Automobile, \$12,128,632; Standard Fire, \$1,959,824. Assets of Aetna Life were \$621,319,457, an increase of \$44,047,126, while surplus increased \$2,060,368 to \$20,386,975. Contingency reserve was \$6,000,000, an increase of \$4,000,000. Insurance in force reached a new high, \$3,984,353,013, an increase of \$27,606,344. This is a new high point in the history of the company. New life business decreased 13 percent from 1937, the 1938 total being \$283,821,974. Total paid policyholders in the life department was \$61,893,128, an increase of \$3,327,826 over 1937. Earnings in the stock department were \$6,753,723. In the participating department \$1,728,664 was allocated for payment of dividends in 1939. A total of \$446,291,689 ordinary insurance is in force in the participating department. This is 23 percent of the total.

Underwriting profit of the accident and liability department of Aetna Life was \$2,314,218.

NORTHWESTERN MUTUAL

The Northwestern Mutual Life shows new business \$233,904,794, average \$3,654 per policy. There are annuities \$6,139,055 and revivals, etc., \$12,339,789. Insurance in force is \$3,893,591,675. November sales were \$45,813,665, gain \$17,912,892 or 64.2 percent over December a year ago. The decrease in new business for the year was 10.8 percent. The assets are \$1,283,101,693, gain 4.6 percent. Bond investments are \$644,009,131, 52 percent of the whole. The bond portfolio includes U. S. government obligations \$141,305,346, other government bonds \$212,088,705, Canadian \$41,700,593, railroad \$112,855,247, industrial \$2,172,000. Mortgage loans are \$308,574,268 or 25 percent of the assets. There are \$226,454,833 city loans, increase \$3,800,132 and farm \$82,119,435, decrease \$1,352,718. The real estate is \$37,104,137 or 3 percent of the assets. The home office is carried at \$4,811,907. Policy loans are \$169,240,737 or 13.7 percent of the assets. The surplus is \$53,288,856, increase \$659,583. The premiums were \$130,651,835, total income \$210,786,340, paid policyholders \$109,314,093, total outgo \$150,643,267. The insurance in force gained more than \$34,000,000.

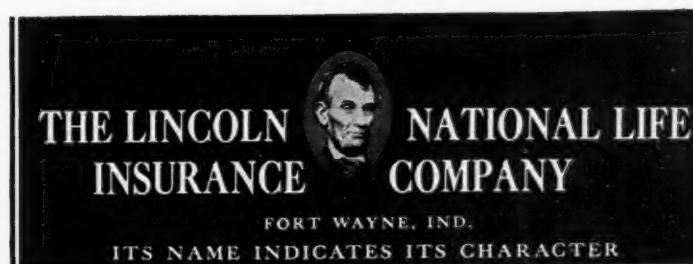
Ira M. Cook, assistant manager Prudential ordinary department in Minneapolis, fell on an icy walk and broke a leg.



THE EVER-LENGTHENING SHADOW

The light of the passing years throws into strong relief the greatness that was and is Abraham Lincoln. He holds ever-increasing importance as a national character.

Year by year, the Lincoln Foundation of The Lincoln National Life Insurance Company helps satisfy the growing demand for Lincoln material. Authentic Lincolniana from the Foundation helps make every LNL man a center of Lincoln information in his community.



Rigid Adherence to Standards a "Must"

(CONTINUED FROM PAGE 1)

tained in developing successful and profitable new organizations through the financing plan, which has been in use about a year and a half. He said the desire to make exceptions must be overcome.

Mr. Fulton reviewed the effect of company suggestions adopted by the general agents for rating prospective agents. He said that within the last four years the Home Life's lapse rate on business failing to pay two full annual premiums has been reduced by 10 points with the result that one-third of its agencies have a lapse rate on this basis of less than 10 percent.

W. P. Worthington's Views

Superintendent of Agencies W. P. Worthington said that the most effective driving force back of all agency plans should be a desire on the part of the general agent to make men successful. The measure of a man's ability as a general agent, he added, is not the volume of business alone but the number of men in his agency who are making a good living income.

Mr. Worthington emphasized the necessity of presenting the opportunities in the business in a forceful, well organized fashion if general agents are to recruit the sort of men who will be successful.

Cashing In on Trend

O. C. Lincoln, assistant actuary, credited a large part of the upward surge in life insurance sales during the last two months of 1938 to the unprecedented publicity given to settlement options and urged that general agents continue to capitalize on the interest in income provisions. He said the interest in settlement options will continue even with the slightly lower guarantees.

Mr. Lincoln stressed the necessity of keeping settlement options simple first because no one can look ahead and make completely detailed plans for all possible future contingencies; second, complicated provisions consume an undue amount of time for the agent and the home office, and third, an agent who gets too involved in the complicated technicalities of a proposal may merely confuse his client.

Visual Manual Shown

Three assistant superintendents of agencies—J. F. Walsh, J. H. Evans and E. C. Kelly, Jr.—demonstrated the new visual manual used in recruiting, which parades in a highly organized fashion the opportunities and advantages of joining the Home Life sales force.

In a separate talk, Mr. Kelly said centers of influence can be divided into those who are interested in helping the general agent, and those who are interested in helping others. The second group is overlooked but it is more often a source of likely new men than the first group. In this class, he said, are personnel directors, Y. M. C. A. secretaries, ministers, priests, referees in bankruptcy, state employment service heads, placement men in schools and colleges, and heads of business schools.

Mr. Kelly recommended use of the Home Life's quality selection chart. Otherwise, he said, the result is that there is flow of mere names and no selectivity employed by the average center of influence.

Fewer Rail Bonds

G. N. Emory, financial secretary, said that assets in railroad bonds had decreased from 33.5 per cent at the end of 1923 to 9.2 per cent at the end of last year and the percentage of assets in public utility bonds rose from 3.7 per cent to 12.8 per cent. Since Jan. 1, 1936, Home Life has reduced its asset value of railroad bonds by \$4,347,161, he said. He said the greater part of the holdings in rails is made up of obligations of the

Prominent at Ohio State Life Meeting



CLARIS ADAMS, President



FRANK L. BARNES, Vice-President

At the annual agency meeting of the Ohio State Life in Columbus, O., this week, President Claris Adams and Vice-President Frank L. Barnes took a prominent part in the proceedings. Mr.

very strong systems, amply secured terminal bonds and well protected underlying obligations.

General agents will compete this year for four silver plaques to be awarded for leadership in building new organization, quality organization, quality business, and consistent producers. A silver cup will go to the agency doing the most outstanding job in all phases of agency activity.

Ellis Agency Leads

R. C. Ellis, general agent in New York City, was acclaimed for the leadership of his agency in paid for volume for 1938. Mr. Ellis has been with the Home Life for 25 years. He started his agency from scratch in 1928 and since its third year it has been among the 10 leaders every year.

Roy Kenyon, Grand Rapids, Mich., general agent, had the leading agent in paid for production, he being his brother, H. C. Kenyon. Agent Kenyon, who is 32 years old, has been in life insurance only since April, 1937. He was previously a teacher and Methodist minister. P. A. Hazard, Jr., Ramsey agency, Chicago, less than a year with the Home Life was runner-up.

Assistant Superintendent of Agencies J. H. Evans was hit by a bad case of the grip but held out long enough to keep his place on the program. He had to stay in the hotel four days before recovering sufficiently to be moved to his home.

Feldman Heads New Department

PITTSBURGH—R. L. Feldman, assistant manager, and eight members of the executive staff of the E. A. Woods Company, general agents Equitable Society here, are in charge of a new department formed to present the Equitable "assured estates" plan. The group was trained by V. L. Bushnell, vice-president Equitable, assisted by Herbert Grier and F. T. Van Urk of the home office training department.

Record Snow Defers Talk

The heaviest snow fall in years in Chicago forced postponement of W. V. Woody's address on recruiting, which was to be given this week before the general agents and managers section Chicago Life Underwriters Association. It will be given Feb. 14. It is expected that a record breaking attendance will be present as advance registrations for the postponed meeting were the heaviest experienced.

Managers, General Agents Blamed for Life Ills

General agents and managers are responsible for most evils of life insurance distribution, T. A. Gallagher, CLU, leading San Francisco producer for Prudential, told the San Francisco Chapter Chartered Life Underwriters.

He said they condone bad practices; use poor judgment in selecting agency material; do not live up to the insurance code of the state, especially the section prohibiting payment of commission to agents who do not write at least an equal amount of insurance among the general public as they do among relatives; fail to terminate properly agency contracts; make wholesale appointments to obtain policies of agents' relatives or employers and their relatives (many with the ultimate objective of confiscating renewals); and fail to encourage agents when in a slump or when facing refusal of submitted business.

He severely attacked the practice of exaggerating possible earnings of new agents and using of supposed "big money makers" as examples.

About five percent of the men and women who are brought into the business make good. As regards wholesale appointments, he cited the experience of a San Francisco agency which had 149 licensed persons. The general agent was "fired." When the new general agent took hold and analyzed his organization there were only five "real" agents left in the office.

To Amend Qualification Law

An amendment to the qualification law will be introduced into the California legislature which requires applicants for life licenses to submit to an examination after a six months probationary period. If the applicant fails no license will be issued. Failure to appear for the examination when notified prevents issuance of a temporary license.

He also cited cases where visitors to agency were virtually insulted by the employees. He said that many agency officers have failed to provide suitable reception accommodations.

Thomas Darenou, Pacific Mutual, criticised the American agency system, stating that group and salary savings plans were cutting down the field of individual prospects for agents of life companies. At the same time he criticised the agents themselves for laxity in maintaining contacts and a "fresh supply" of prospects at all times.

Compensation Discussed

W. H. Lennox, New England Mutual Life, discussed agents' compensation. He suggested a more equitable method of compensation whereby an agent could budget his income. He commented upon lack of a retirement plan for agents who devote many years to a company, serving in many capacities as well as salesmen.

R. W. Lynn, Equitable Life of New York, discussed the general brokerage problem in San Francisco. He complained about the inroads made by the general brokers on business previously created and programmed by full time life agents. Edwin Golden, New York Life, was chairman.

Dr. Granville Vice-president

Dr. W. A. Granville, for 16 years associated with the Washington National of Chicago, has been elected a vice-president. For many years he has served as director of publications. Degrees have been conferred on him as follows: Ph.B. (Yale), 1893; Ph.B.D. (Yale), 1897; LL.D. (Lafayette), 1911; LL.D. (Muhlenberg), 1921. He was instructor in mathematics at Yale, 1895-1909; president Gettysburg College, 1910-23; president of American Federation of Lutheran Brotherhoods, 1925-29; member of Pension Board of the United Lutheran Church.

NEWS OF WEEK

John F. Wohlgemuth of Chicago, secretary of The National Underwriter Company, has been elected president and in due season will take up his residence in Cincinnati. Other changes are made in the organization. **Page 1**

Institute of Life Insurance executive committee selected; President Fulton, Home Life of New York, becomes treasurer. **Page 1**

Alex Macdonald of Rock Springs is appointed Wyoming insurance commissioner. **Page 12e**

J. H. Higgins of Dayton, O., former field man for The National Underwriter, pays tribute to its late president, E. J. Wohlgemuth. **Page 12a**

A joint meeting of the executive and examination committees of the National Association of Insurance Commissioners is called Tuesday in Chicago. **Page 2**

Insurance Director Smrha of Nebraska makes public a letter he has sent to Superintendent Pink of New York, taking exception to the attitude of Mr. Pink on the company examination question. **Page 6**

Ohio State Life shifts chiefly to non-participating plan. **Page 3**

Rejection rate of 40 percent is unofficially reported on initial flood of savings bank insurance in New York. **Page 12b**

Success of salary plans for new men depends on rigidly sticking to standards. **Page 1**

Frederick W. Hubbell elected president of Equitable Life of Iowa, President Henry S. Nollen advances to board chairman, and James W. Hubbell to secretary-treasurer. **Page 4**

National Association of Life Underwriters appoints special committee on life insurance information headed by Harry T. Wright, Chicago, an ambitious undertaking replacing the committee on publicity. **Page 6**

Richard Boissard is elected vice-president and general manager of National Guardian Life. **Page 14**

Life insurance investment school expected to be started in 1940 at a leading university, sponsored by A. L. C. Financial Section, following Chicago meeting of special committee. **Page 12a**

Massachusetts Mutual agency convention is being held this week in Hollywood, Fla. **Page 9**

Three official promotions are announced at the head office of the Massachusetts Mutual. **Page 9**

Field Man's Estimate of E. Jay Wohlgemuth's Work

By J. H. HIGGINS, Dayton, O.

Some 37 years ago I called at the Cincinnati office of *The National Underwriter* to place a three months subscription. I went into the office and talked with a young man, who explained that I could cancel anytime on a pro rata basis. The difference between pro rata and short rate as applied to property insurance was just about the extent of my insurance knowledge at that time. This black haired, keen and alert young chap who sold me a year's subscription and talked me out of \$2.50 in consequence was E. Jay Wohlgemuth. At that time this \$2.50 meant more to me than in later years. At this first meeting he was 26 years of age.

When the word reached me that early in January he had passed into the shadows I could but go back many years, years that are gone forever but not forgotten. He lives in my memory just as vividly and delightfully as when I came in contact with him in the organization.

Best Investment Made

From the date of my first subscription to the present I have read every word that has appeared in *The National Underwriter* including its special numbers. The cost of this subscription was the best investment I ever made. It paid dividends that are rich in knowledge, experience and satisfaction. After all these are the returns that are worth while.

My next meeting with this unusual and unanalyzable man at times was sometime later when I applied for a position and secured work as a traveling man. It was certainly a laborious task but I continued for many years. During this time I was closely brought in contact with Mr. Wohlgemuth because I was sent into the field to get business and I began to know him intimately.

Difficult to Make Analysis

It is difficult for me to visualize clearly one of his characteristics. I soon discovered that he had a very clean mind, that his personal and business life was above reproach. He had a business technique, most extraordinary, and all his own. There were many insurance publications at the time he came on the scene. Doubtless there will be others to follow. Some have fallen by the way-

indeed, strong, solvent companies and he certainly felt that insurance publishers and editors had certain definite responsibilities. By some he was considered austere, unfriendly and unsympathetic.

Some years ago at a time of an insurance convention in Louisville he originated the idea of doing something for his patron saint, Young E. Allison, Sr., who was head of the "Insurance Field."



J. H. HIGGINS

He got together the insurance newspaper men who had been associated with Mr. Allison and purchased a complete set of works of Mr. Allison's favorite author. E. Jay was selected to present this gift. His heart was so full of emotion that he faltered and finally had to give up as his voice choked. He called another man who had been under the Allison regime, Cyrus King Drew of San Francisco, now publisher of the "Western Underwriter," to come to his rescue. After attending this convention I found that during the years before I had misunderstood E. Jay Wohlgemuth, because then he revealed himself as

J. H. Higgins of Dayton, O., has retired from business. He was one of the early field men of *The National Underwriter* and came in close contact with Edward J. Wohlgemuth, the president of the publishing company, who died the latter part of 1938. Mr. Higgins was a remarkable man in many ways and traveled through a good part of the country in serving *The National Underwriter*. In a way it can be said that he was a pioneer in the special work he was doing in that he interpreted the policies of his publication and laid the foundation for remarkable growth. In his tribute to Mr. Wohlgemuth he writes from close observation and in sympathetic understanding.

side, some have been merged and some were taken over under Mr. Wohlgemuth's direction. He had an ambition to be a business builder and, therefore, he "reinsured" some publications. He never tried to crush a competitor. He paid what the property was worth when he took on an outside publication.

Not a Back Slapper

E. Jay was not a glad hander. He was no back slapper nor was he what we termed a hail fellow, well met. He didn't try to ingratiate himself with those with whom he contacted, the latest obscene stories. His conversation was always businesslike and his mind was riveted on what he was doing. His sole ambition was to build a great publishing house closely allied and made a part of the greatest business that in my opinion is the real foundation that supports our whole economic structure, the business of insurance.

Mr. Wohlgemuth believed in sound

warmhearted, kindly and sympathetic and filled with sentiment.

The secret of his success may have been his restless, never satisfied disposition. To some it may seem a strange state of mind. I have often thought that it may be the real secret of progress because when individual, organization or political party becomes satisfied, progress stops.

Mystified by the Moves

After he completed his college course, following his entrance into the business when he had it going in good shape so that he would take a leave of absence he came back, so to speak, to his desk and then began his great period of development and constructive work. He took complete charge of the business department of a business that now reaches from coast to coast. His presence was the tonic needed for all to drive ahead. Events started to transpire. He had an unusual combination because he was

Phoenix Mutual Life Promotes Three

HARTFORD, CONN.—D. Gordon Hunter, vice-president and agency manager Phoenix Mutual, announced three promotions in the agency department. Maurice R. Perry, formerly agency assistant, was advanced to educational director. Paul Zerrahn and Raymond J. Dolwick, formerly supervisors, were moved up to agency assistants.

Mr. Perry, formerly a member of the faculty at the Choate School, joined the company in 1931 as a salesman in Bridgeport, Conn. He has advanced through the positions of field supervisor, supervisor of sales training, and agency assistant to his present position, which puts him in direct charge of the entire sales training program.

Paul Zerrahn formerly was manager of the trust advisory council for the California bank in Los Angeles. He developed the estate planning service now being used by the Phoenix Mutual.

Mr. Dolwick was appointed to the field supervisory staff in 1935 after a successful sales record with the Cleveland agency and came to the home office in 1937.

equally at home as a salesman, an executive and writer.

At times all of us who were associated with him were mystified by some of his moves. I never believed that E. Jay wanted to be surrounded by "yes" men.

The quickest way to provoke an argument was to agree with all he said and did. He never permitted himself to believe that his course was finished and that there was no further work to do. He knew the difference between character and reputation and between knowledge and information. He never represented being called a dreamer or being visionary. His theory was "No dreamers, no human progress." It is true that he was a dreamer, not the usual mine run type but the kind that had ability and the faculty to make dreams come true. He had the energy, skill and vision to build and direct an unsurpassed organization of its kind.

Forty Years Partnership

He and his partner of 40 years, the editorial manager, were about the smoothest pulling, two-man team with which I ever came in contact. Here were two men operating a publishing business, country-wide in scope. Mr. Wohlgemuth made his headquarters in Cincinnati and the editorial headquarters were in Chicago. They were many miles apart. These men created a machine that worked so smoothly and the mechanism was so perfect that long distance telephone calls were almost unknown. The best seller could be written about this 40 years of remarkable partnership. Neither man criticised the other harshly, at least not that I ever heard of. I do not suppose that it occurred to these young fellows that they were really doing anything that was very important. I doubt then whether they ever appreciated the foundations that they were laying and the future that lay before them.

If a story of modern insurance journalism is ever written it will read and sound very much as the biography of these two partners. All through his life Mr. Wohlgemuth's accomplishments and record show a character of a most substantial and praiseworthy type.

I recall the last time I called on him at his office. I could note the change taking place. With his passing goes much of the glory and satisfaction that comes from the feeling that I may have had a small part in this enterprise, which was very young and unstable when first we all were together in those old days and the going was pretty hard.

Theodore Green and his wife are leaving on an extended South American cruise. Mr. Green is former general agent and currently one of the big personal producers of the Oklahoma agency for the Massachusetts Mutual Life.

Investment School Plan Is Assured

A. L. C. Committee's Consensus at Chicago Meeting in Favor

Plans to initiate an investment school in some leading university, sponsored by the Financial Section of the American Life Convention, were greatly advanced at a meeting in Chicago this week of a special committee, headed by Alex Cunningham, vice-president and treasurer Western Life. Mr. Cunningham is immediate past chairman of the Financial Section and had much to do with formulating the idea.

The committee conferred with representatives of several big universities, who gave advice as to practical means for starting the course and assuring its success. The committee will designate the university at which the course is to be conducted.

Estimate Charge \$150

As projected, it will be on a three year basis, with a two weeks' seminar, probably each June, and a required course of study in the interim. Students will reside at the university for the two weeks. The tentative charge for tuition, board and room is around \$150, but this will depend on attendance. The committee estimates minimum attendance must be 50, as it appears any university, to undertake such a project, must receive from it a minimum of \$7,500.

The scope will be general economic laws affecting life insurance investment practices. The committee feels that the course should give the background rather than the details of investing, as company practices vary but fundamentals do not.

Educators Before Committee

Tentative plans for the faculty and suggested curriculum for the investment school were outlined by the various educators. It is the committee's thought that while the course should deal with fundamentals, it should not be too elemental, as it is the hope to appeal not only to younger, untrained men in investment departments of life companies, but also to more experienced investment officers who desire to carry on their studies.

The committee decided not to limit eligibility to staffs of American Life Convention companies, but to throw the school open to all legal reserve life companies. In this way the school represents an institutional effort for the good of the entire business and the wider support may be expected to make it more successful.

Officials Attending Meeting

Attending were Donald F. Roberts, treasurer Acacia Mutual, chairman Financial Section A.L.C.; Mr. Cunningham; Grant Torrance, treasurer Business Men's Assurance; Frank J. Travers, second vice-president Lincoln National; Paul E. Fisher, treasurer Indianapolis Life; C. F. Nettleship, Jr., assistant secretary Colonial Life, and Willard Boyden, vice-president and treasurer Continental Assurance. E. B. Raub, president Indianapolis Life, sat in as an observer.

Savings Bank Plan

SAN FRANCISCO—Life general agents and managers of San Francisco are aroused over the savings bank life insurance plan recently introduced in the California legislature. They met Thursday to consider ways and means to contest the measure, which seems to have strong support in the present liberal administration group. Reports were presented by A. S. Holman, Travelers, chairman legislative committee San Francisco Life Underwriters Association, and Karl L. Brackett, John Hancock, chairman of the state association legislative committee.

Savings Bank Said to Reject 40%

Initial Flood of Business Is Understood to Be Tapering Off

NEW YORK—A rejection rate of 40 percent has been unofficially reported in connection with the big surge of business experienced by savings bank life insurance following its opening for business in this state Jan. 5. There are also reports indicating that this early rush of business, which was a source of jubilation to the backers of the scheme, has flattened out greatly and that for a considerable period to come production will level off at a comparatively unimpressive figure.

A week ago Superintendent Pink of the New York department issued a statement pointing out that savings bank insurance in New York state had obtained applications for more insurance in its first two weeks—\$1,050,250—than the Massachusetts system inaugurated a generation ago had in force at the end of its first two years.

Much Advance Ballyhoo

Because of circumstances leading up to the introduction of savings bank life insurance in New York state it was to be expected that there would be a big initial flood of business which would soon taper off. There was much advance ballyhoo by sponsors of the system. The New York "World-Telegram" gave the new scheme a vast amount of advertising in its news columns not only just prior to the effective date of the plan but months earlier in its extended series which violently attacked industrial insurance and held up savings bank life insurance as the panacea.

Naturally, there was little emphasis on the fact that applicants for the new form of insurance had to be medically acceptable and that many who could obtain industrial insurance would be uninsurable under savings bank insurance as under any type of ordinary coverage. Consequently it is not surprising that many were disappointed when they found that their health was not up to the standard of selection.

Self-Selected Group

Much of the high rejection rate was undoubtedly due to the fact that the applicants were a self-selected group. As agents know, the person who is in poor health and knows it is far more anxious to buy insurance than the robust individual who never was sick a day in his life and is sure he is going to live to at least 80. Then, too, it is a good guess that the selection department was ultrastrict in passing on applicants. The system's medical director had had no insurance experience, though of course an entirely qualified medical man.

Since the state has the responsibility of passing on the applicants whom the savings banks are to insure, the medical department has a definite interest in seeing that those accepted are as healthy as possible and that banks are not saddled with early losses. Such losses might prove decisive in influencing other-banks not to follow the course of the few who have already taken the plunge.

Ohio Consumers League Busy

The Ohio Consumers League of Cleveland, which is sponsoring the bill in the Ohio legislature to let savings banks sell life insurance, is a crusading organization which occasionally crops out into the open. It has done some work in Cleveland in enforcing sanitary conditions in food and candy factories. A good many of their proposals have been unsuccessful.

The Ohio house insurance committee has been given consideration of the savings bank bill.

New Texas Commissioner Is Little Known in Insurance

Truett Smith of Tahoka, the new life insurance commissioner and chairman of the board of insurance commissioners in Texas, is 34 years of age. He attended Texas Technological College at Lubbock. Tahoka is about 30 miles south of Lubbock. It is a very small place. Mr. Smith has not been well known to politicians or to insurance people generally in Texas. He has been something of a factor in west Texas where governor W. Lee O'Daniel had strong support in the election.

Mr. Smith was elected for a four year term as county and district clerk of Lynn county in 1928 and in 1932 was elected county attorney. In October 1935, Governor Allred appointed Mr. Smith district attorney in the 106th judicial district and he has been elected twice.

Insurance leaders of Texas are discounting reports of dissatisfaction among members of the Texas senate over the surprise appointment of Mr. Smith as life insurance commissioner and chairman. Regardless of the fact that Mr. Smith was wholly unknown in the insurance business, it is believed that his appointment will be confirmed and that he will take office at the expiration of the term of R. L. Daniel Feb. 10.

The reported protests of the senators is attributed to politics in furtherance of a campaign by some members of the legislature to harass the governor wherever possible because of his unorthodox campaign against the so-called "professional politicians." On Tuesday the state senate rejected the nomination of Gov. O'Daniel of Carr Collins for chairman of the state highway commission. Mr. Collins is chairman of United Fidelity Life.

Mr. Collins makes crazy water crystals.

The chairmanship of the state highway commission is regarded as the prize political plum in Texas. The commission spends some \$75,000,000 a year.

The fact that Mr. Collins was rejected raises the question whether Mr. Smith will successfully run the senate gauntlet.

Receivership Action Against Fidelity Investment Ended

Federal Judge Baker in Wheeling, W. Va., Tuesday of this week dismissed the receivership action against Fidelity Investment Association. In doing so he confirmed the report of a special master who had recommended dismissal a few days previously. One of the attorneys for the receivership petitioners cooperated in preparing the master's report and offered his praise of Fidelity. Another attorney, however, objected to the report on the ground that sound values rather than market values were taken. Judge Baker stated that he got much satisfaction from the fact that representatives of the insurance departments of Virginia, Ohio and Indiana and West Virginia stated that they were in accord with the report.

The auditing committee found that assets exceed liabilities, other than capital stock, by \$1,313,386. This, the committee declared, is adequate.

Asserting that the effort of four persons to establish a protective committee for contract holders of Fidelity Investment in Michigan "smacks of an attempt by strangers to further their own selfish interests," attorneys for Fidelity filed objection before the public trust commission. Fidelity counsel maintained that the action should come before the insurance commissioner.

Asherman of Cuyahoga introduced a resolution in the Ohio senate for an investigation of Fidelity Investment. It has been referred to the insurance committee.

Glenn Hewitt, district manager for the Industrial Life & Health at Tuscaloosa, Ala., died from injuries in an automobile accident.

New Intermediary for Policy Loans

The business of placing loans against the reserves of life insurance policies, with agencies other than life companies at low rates of interest is taking on major proportions. At least a large number of banks, desperate for desirable loans, are making a bid for this business and quite a number of intermediaries in negotiating these loans are appearing on the scene. This week the Albert Frank-Guenther Law, Inc., advertising agency, sends out a release about the activities in this field of the Hamilton Financial Corporation of 830 Fifth avenue, New York, of which Walter Sundheimer, formerly of W. J. Wollman & Co., is president. On the theory that insurance people would be interested in the sort of statements that are being made by these operators the release is given here-with:

Text of the Release

"That the owner of an insurance policy who has borrowed on it from the company can now get for nothing a new policy covering the amount of his loan and a cash benefit besides, is the claim of the Hamilton Financial Corporation.

"The plan under which the company operates comprises the contacting through their brokers of policyholders who have borrowed on the cash values of their policies. Most of these loans are now carrying 6 percent interest. The company arranges new loans at 2½ percent to 3½ percent through various banks. The saving, it is stated, is sufficient to cover new term insurance taken out by the borrower for the amount of the loan, thus re-establishing his full coverage. In addition there is a cash saving claimed over and above the cost of this new insurance.

"The company states that it operates solely through insurance brokers.

"While the insurance companies lose the 6 percent loans, it is stated that they are not taking steps to hold these high-rate loans because of the substantial amount of new insurance resulting from the placing of the loans with banks.

"At the offices of the company it was stated that many banks have their loans filled up with collateral insurance loans but that there are many banks in various cities eager for this business at low rates.

"According to officials of the company, a constant combing of the banking market discloses in which cities are the spots where low cost money is available."

Columbia Life Agents Hold Convention in Cincinnati

CINCINNATI—High spots in the annual convention of the Columbia Life at its home office here were talks by C. B. Aldridge, Cleveland general agent, "Qualities that Make a Successful Salesman"; R. G. Nixon, Owenton, Ky., general agent, "Reviewing 1938—Plans and Changes I Will Make for 1939," and the four talks "Selling on First Interview," J. F. Whitemire, Cincinnati; "A Planned Presentation," L. A. Gregerson, Liberty, Ind.; "How a Planned Presentation Helps an Agent," Harry Schenkel, Liberty, Ind., and "Reviewing the Day's Program," W. H. West, vice-president.

Production club pins were given leading agents by Frank B. Cross, Jr., president, at the annual banquet. Mr. Cross and Mr. West alternated as chairmen on the programs.

Other home office speakers were John Manss, general agent, Dr. C. T. Kirchmaier, medical director, and J. R. Schindel, general counsel.

V. G. Martin Ohio License Chief

The newly appointed chief of the bureau of licenses and examination of agents in the Ohio department is V. G. Martin of Xenia.

Shows Hidden Taxes Paid by the Assured

U. S. Chamber of Commerce Analyzes Imposts Levied on Companies

WASHINGTON, D. C.—America's 65,000,000 policyholders paid \$103,281,169 hidden taxes in the form of special state levies on insurance companies in 1937, as shown in a survey by the insurance department of the U. S. Chamber of Commerce.

This figure, the chamber says, represents only the special state insurance taxes, licenses and fees, and does not include the taxes that insurance pays in common with other lines of business. The amount of these special state taxes was the largest ever collected in any year—about 5 percent larger than in 1936.

Diverted to General Use

Originally, it is pointed out, these special state taxes were intended to cover only the cost of insurance supervision and were supposed to be so earmarked. The great bulk of these taxes are now being diverted for general use. In 1937 \$5,262,842 was spent for maintenance of state insurance departments, the remaining \$98,018,327 being used for purposes for which policyholders already had paid their share as general taxpayers.

In effect, the chamber says, these special levies are a tax on thrift because inevitably they result in increased premiums, which are, in the final analysis, voluntary thrift payments by policyholders.

Points Out Discrimination

"Another objection to the special insurance tax," the chamber declares, "is that it is discriminatory between the insured and the non-insured. The policyholder, because he wants to provide protection for himself and dependents, thereby reducing the danger to the community of an economic loss, must carry an extra burden in addition to those that he must share with similar persons not carrying insurance protection."

The chamber takes the position that these special state taxes should not be considered as a source of general revenue, but should be reduced to the total in each state which will adequately support such state's departmental supervision.

Franklin D'Olier, president of Prudential, suffered slight injuries in an automobile accident that occurred near Trenton, N. J., as he and members of his family were driving from Burlington to their home at Morristown, N. J. Mr. D'Olier is expected to return to his office in a few days.

Degeneration Diseases Showing Alarming Trend

NEW YORK—The increasing number of deaths from degenerative diseases is rather alarming and the trend seems to be a result of the pressure put upon business executives and professional men during the recent disturbed years, Dr. G. E. Woodford, medical director said at the regional meeting of Home Life general agents here.

Dr. Woodford said that before the depression there did not seem to be any unusual prevalence of degenerative diseases in this group but that in recent years there has been a predominance of diseases of the heart, blood vessels and kidneys which has taken an unusually high toll in the executive and professional group, he said. The assumption seems justified that this has been directly brought about by the greater responsibilities resulting from unsettled economic conditions, Dr. Woodford said.

Texas Tri-City Sales Congress Is Opened

HOUSTON, TEX.—At the tri-city sales congress, the C. L. U. chapter and the local city groups associated with the University of Houston with H. R. Smith, Jefferson Standard, as toastmaster, entertained J. P. Williams, educational director of the American College of Life Underwriters. William Harrison, Houston president, presided over the general session. The general subject is "This Business of Education." Mr. Williams answered three major questions: "Is it worth while to educate a person? What shall he be taught? How shall he be taught?" Paul Sanborn of Boston talked on business life insurance with specific citation and detail of two situations, two presentations and two closes. Walter Hiller, Penn Mutual Life, Chicago, kept his audience keenly interested through his "information please" method. Eighteen questions were propounded from the floor. Mr. Hiller brought out the fact that much life insurance is sold through hustling, prospecting and getting methods that are novel in their interest arousing and result getting.

H. C. Lawrence, Lincoln National at Newark, N. J., gave a scientific analysis confirming the idea that men buy life insurance once in five years. He showed that one man in five buys each year some insurance. If this applied to a given group of prospects almost certain results can be forecast. He emphasized the need for the life men to have six stories to fit that many situations and he should spend his time making these stories more interesting and effective.

Travelers Will Stage Agency Rally in 1940

HARTFORD.—A seventy-fifth anniversary conference of agents and home office executives to be held some time in 1940 is being announced to the Travelers organization.

In a letter to representatives President Zacher said:

"It is proposed to have an instructive and enjoyable program centering mainly on an interchange of ideas pertinent to our business."

He stated that the dates and place of the meeting would be announced later. This selection will be made in accordance with the number who indicate their desire to attend by attaining certain qualifications. The attendance is open to contract agents who write and pay for a minimum amount of life or casualty insurance between Feb. 1, 1939, and Jan. 31, 1940.

The qualification for life insurance is an amount of \$150,000 of new business on 12 or more individuals, with not less than \$3,000 in paid first year premiums.

Comparable amounts of accident, automobile, public liability and other casualty lines, or various combinations, will entitle an agent to an invitation to the meeting. Fire, inland marine, compensation, collision and annuity premiums will not count for qualification.

Lower amounts will be sufficient for agents who went with the company during 1938. Agents who become associated with Travelers during 1939 cannot earn invitations in the casualty lines.

Vickers Named at Sacramento

Wayne Vickers, for the past two years or more general agent Occidental Life at Eureka, Cal., has been appointed general agent at Sacramento, Cal., with jurisdiction over the entire 22 northern counties of the state. The Sacramento office heretofore has been a branch office in charge of R. A. Vandegrift, manager. Mr. Vickers will retain offices at Eureka, but will make headquarters in Sacramento.

John M. Sarver of Columbus, O., former president and now chairman of the board of the Ohio State Life, who has been seriously ill, is recuperating at Grant Hospital in that city.

Leading U. S. Producers and Agencies Reported

NEW ENGLAND MUTUAL

PRODUCERS (life only): (1) R. C. Newman, St. Louis; (2) L. D. Crandon and H. C. Stockman, New York City; (4) J. J. Polachek, Pittsburgh; (5) J. H. Atwood, Boston; (6) D. E. Leigh, New York City; (7) W. T. Earls, Cincinnati; (8) J. H. Prentiss, Jr., Chicago; (9) B. H. Misius, Detroit; (10) O. P. Jacobsen, New York City; AGENCIES: (1) M. G. Summers, Boston; (2) Beers & Dawson, New York City; (3) Allen & Schmidt, New York City; (4) Isadore Freid, New York City; (5) E. C. Fowler, Chicago.

PRUDENTIAL

PRODUCERS: (1) J. H. Kaplove, Newark; (2) C. N. Samons, Newark; (3) R. H. Rice, Jr. (C. L. U.), Kansas City, Mo.; (4) R. B. Dinsmore, Philadelphia; (5) Theo. Heck, Cincinnati; (6) F. W. Fooshe, Los Angeles; (7) W. J. Bernstein, Charlotte, N. C.; (8) O. N. Wicklund, St. Paul; (9) K. H. Schneppel, Rochester, N. Y.; (10) G. L. Nelson, Shreveport, La.; AGENCIES: (1) G. A. Eubank, New York City; (2) Andrew Kakkayannis, New York City; (3) J. A. McNulty (C. L. U.), New York City; (4) P. R. Garrison, New York City; (5) E. N. Van Vlet, Newark, N. J.

JEFFERSON STANDARD

PRODUCERS: (1) W. L. Brooks, Charlotte, N. C.; \$606,750; (2) R. J. Williams, Florence, S. C.; \$473,384; (3) E. Frank Andrews, Greensboro, N. C., \$431,563; (4) J. A. Webster, Greensboro, N. C.; \$303,709; (5) A. H. Diaz, New Orleans, \$295,006; (6) S. S. Simpson, Atlanta, \$290,560; (7) G. N. Monroe, Tulsa, \$268,421; (8) Albert Lee Smith, Birmingham, \$252,713; (9) E. S. Reeves, Lexington, \$246,683; (10) W. H. Andrews, Jr., Greensboro, N. C., \$236,303; AGENCIES: (1) Charlotte, Charlotte, N. C., \$5,717,552; (2) Greensboro, Greensboro, N. C., \$4,059,689; (3) San Antonio, San Antonio, \$3,540,302; (4) Dallas, Dallas, \$2,534,404; (5) Raleigh, Raleigh, \$1,952,656.

MIDLAND MUTUAL

PRODUCERS: (1) Harold J. Plack, Peoria, Ill., \$275,600; (2) George A. Bowen, Indianapolis, \$256,000; (3) Wm. E. Whipple, Columbus, \$247,417; (4) Sam B. Garwood, Columbus, \$247,416; (5) Edward F. Tice, Columbus, \$193,866; (6) Harold C. Vollmann, Rockford, Ill., \$184,426; (7) C. W. Stillson, Youngstown, \$168,867; (8) Harvey D. Monroe, Terre Haute, Ind., \$151,378; (9) Gilbert Moody, Columbus, \$146,167; (10) J. Ray Campbell, Parkersburg, W. Va., \$143,750; AGENCIES: (1) Tice & Jeffers, Columbus, bus, \$2,410,984; (2) James R. Mayfield, Indianapolis, \$1,041,820; (3) C. W. Stillson, Youngstown, \$624,741; (4) Chas. E. Schaad, Marion, \$522,557; (5) E. O. Mowrer, Akron, \$443,041.

MINNESOTA MUTUAL

PRODUCERS: (1) H. B. Victor, St. Paul, \$841,161; (2) C. L. Hoon, Denver, \$439,269; (3) R. H. Pearson, Ft. Worth, \$429,443; (4) R. R. Kimball, Minneapolis, \$372,806; (5) E. D. Bostick, Jr., Columbia, \$343,839; (6) D. O. Johnson, San Antonio, \$310,268; (7) W. J. Bateman, Tarboro, N. C., \$305,234; (8) L. R. Bock, Ft. Peck, Mont., \$298,275; (9) H. Bean, Omaha, \$295,031; (10) R. V. Waln, Cheyenne, \$286,668; AGENCIES: (1) Victor, St. Paul, \$2,716,947; (2) P. D. Williams, Minneapolis, \$1,271,972; (3) C. L. Hoon, Denver, \$1,256,880; (4) E. M. Moore, Los Angeles, \$1,087,404; (5) D. O. Johnson, San Antonio, \$1,040,290.

Mutual Benefit Conference

NEWARK, N. J.—General agents of the Mutual Benefit Life met at the home office Tuesday for their conference.

President John R. Hardin, Vice-presidents E. E. Rhodes and John S. Thompson, and H. G. Kenagy, superintendent of agencies, discussed the company's position in finance, underwriting, policy contract and service and sales. F. D. Haselton and B. C. Thurman of the agency department were chairmen of general discussions on training new men and improving results from old organization through the company's methods of "Analagraph" training and supervision.

At the annual banquet President Hardin presented to the Los Angeles agency the annual award for outstanding agency achievement during the year. F. C. Hughes, Milwaukee, was toastmaster at the banquet.

T. H. Tangeman, vice-president and general counsel Columbus Mutual Life, is recuperating at his home, 2390 Arlington Ave., Columbus, O., following a serious illness of several weeks. He is now on the road to recovery but will not get back to business for some weeks.

Cincinnati Leaders Featured When Maduro Spoke

Cincinnati's third annual life leaders' banquet, honoring the two leading producers of the 35 agencies represented in the Associated Life General Agents & Managers, was held with D. B. Maduro, general counsel New York City Life Underwriters Association as the featured speaker. He spoke on "The Future of Life Insurance in Our Economic System."

The leaders for each company, the first name given representing the leader in volume and the second the leader in paid cases, when two names are given, are:

Acacia Mutual, P. M. White; Aetna, L. J. Hoefer, W. P. Abbott; Bankers of Iowa, T. P. Christy; Berkshire, Oscar Plaut; Connecticut General, E. W. Arnold; Connecticut Mutual, W. P. Shields, E. C. Grier; Equitable Society, Clara L. McBreen, H. C. Shillito and G. B. Carter (tie); Equitable of Iowa, V. G. Ruttemeyer, A. M. Boex; Fidelity Mutual, Paul Johnson, G. J. Lockhorn; Home Life of New York; R. A. W. Bruehl; John Hancock, Lillian Bierman, H. S. Pressler; Massachusetts Mutual, T. W. Evans, Grover Davidson; Mutual Benefit, A. R. Groenke, Sidney Weil; Mutual Life of New York, S. S. Herwitz, Joseph Schwarz and R. S. Wenstrup (tie); New England Mutual, W. T. Earls, B. S. Taylor; New York Life, R. E. Sebald, H. H. Kelsey; Northwestern Mutual, W. H. Strauss, J. G. Lindeman; Ohio National, T. J. Miller; Ohio State, H. M. Kilgore; Pacific Mutual, R. E. Denman, C. P. Hochstadter; Penn Mutual, C. A. Cottingham, Bertha Buecking; Phoenix Mutual, S. E. Spencer; Provident Mutual, C. V. Anderson, Thomas McNeill; Prudential, Theo. Heck, Sam Cantor; Reliance, W. C. Woellner, G. W. Isgrig; State Mutual, P. R. Heil, W. H. Dye; Sun Life of Canada, J. P. Ashburn, Paul Perkins; Travelers, John Connolly, Norman Lucas; Union Central, J. C. Sebastian, Sis Hoffman.

Northwestern Mutual Meeting

PEORIA, ILL.—The all state meeting of the Northwestern Mutual Life scheduled here for next Monday and Tuesday will be important. Preceding the meeting on Sunday the district agents will meet. C. R. Garrett, general agent here, will give the welcome. Assistant Director of Agencies J. J. Hughes, President M. J. Cleary, Dr. D. E. W. Wenstrand, medical director, will speak. During the day six leading agents will appear on the program. At the banquet General Agent R. M. Hainburger of Minneapolis will be the speaker. On the second day's session men from the field will be heard from and Assistant Secretary H. R. Ricker and Director of Agencies Grant Hill will speak.

Wraith Agency Is Expanding

One of the interesting life insurance general agencies on the west coast is known as Allied American Agencies. Harry Wraith, one of the leading producers for Occidental Life of Los Angeles, organized this agency three years ago. The office first took over the exclusive writing agency of Chinese business in the United States for Occidental Life. C. C. Wing, a prominent Chinese attorney, became a partner with Mr. Wraith to manage the Chinese department.

Blanche Gatzert New Chairman

Blanche Gatzert, Bruce Parsons agency Mutual Benefit Life, was chosen chairman of the women's division of the Chicago Life Underwriters at a meeting held this week. Jeannette Thielens Phillips, Hughes agency Massachusetts Mutual, and Sadie Levine, New York Life, spoke on "Ideas That Work." Joy Luidens, executive secretary, gave her well-known address on "The World's Best Seller," meaning the Bible.

Isaac Miller Hamilton, president of Federal Life of Chicago, is leaving this week on an extended trip to Africa. He will be on the water 24 days reaching his destination.

MacDonald Selected Wyoming Commissioner

Alex MacDonald of Rock Springs, Wyo., has been appointed Wyoming insurance commissioner succeeding Arthur J. Ham, who becomes special representative of the Western Conference of Insurance Commissioners dealing with misallocated and unallocated premium taxes on inland marine business. Theodore Thulemeyer, former commissioner, has been appointed temporary acting deputy, succeeding J. F. Jordan.

Mr. MacDonald is one of the leading citizens in his community. For the past ten years he has been in the building and loan business. Mr. Ham was very active during his term of office and made an excellent record. He is very much interested in the Western Conference of Insurance Commissioners and was prominent in its activities.

Mr. Ham will have his headquarters in Denver. Under a reorganization bill now before the Wyoming legislature, sponsored by Governor Smith, the insurance commissioner's office would be discontinued and the department taken over by the board of equalization, which would be known as the state insurance commission. The commissioner in charge would be at a lower salary than has been paid.

The measure is said to have some strong opposition. If it fails to pass, Mr. MacDonald and Thulemeyer are expected to receive the new appointments for the coming four-year term. These present appointments run until March 1, 1939—the balance of Mr. Ham's unexpired term.

Fieldmen and local agents both seem satisfied with his appointment.

National Guardian Meeting

Members of the council of National Guardian Life of Madison, Wis., will meet in New Orleans on Feb. 6-8. Members have made outstanding records the past three years.

Frank Neu, of Green Bay, Wis., is president of the council; L. C. McGann, Madison, is vice-president, and H. O. Hegna, Milwaukee, secretary. The meeting will be conducted by Richard Boissard, vice-president of National Guardian Life, and A. G. Schmedeman, Jr., superintendent of agents.

A. W. Buettner Made Inspector

The Mutual Life of New York has appointed A. W. Buettner, since 1936 assistant to the vice-president and manager of agencies, as agency inspector to take over the duties of T. F. Stevens, who died recently. Mr. Buettner has been with the Mutual Life 32 years. He served as assistant cashier at Syracuse, Toledo, Detroit and Cleveland. In the latter agency he became agency organizer and after a brief period as a field producer was made superintendent of the Mutual Life's New York City clearing house.

Thigpen Resigns Alabama Post

G. H. Thigpen has resigned as deputy superintendent of Alabama. It is understood that he will make an announcement of a new connection shortly. He served as insurance superintendent from 1927 to 1931. He went back to the department as deputy superintendent in 1935.

J. V. Ledy, R. S. Edwards Chicago agency of Aetna, this week began his 14th consecutive year of writing an application a week. He has written at least one application a week for 677 weeks, averaging \$180,000 of paid life per year. Mr. Ledy has been with the Aetna agency in Chicago for more than 26 years. His average policy is \$3,400, and he has qualified for the regional convention of his company every year since it was first held.

R. H. Brand, vice-president of Great American Life of Texas, was married the other day to Thelma Proctor, who has been a high school teacher in San Antonio.

EDITORIAL COMMENT

Observations Anent No "Witch Hunt" Probe

THE apparent backing and filling on the part of those responsible for the insurance phase of the federal monopoly investigation is evidence that there is nothing important in the business to expose. One week word comes from Washington that the investigation is to be a gentlemanly affair, no "witch hunting." Then the next week comes the report that the SECURITIES & EXCHANGE COMMISSION wants \$300,000 to finance a second ARMSTRONG investigation. It is hinted that the investigators have concluded that size is sinister; that the optimum for a life company is \$500,000,000 assets and that this should be a statutory limit; that mutuality is a fiction, etc. We say "apparent" backing and filling because SEC authorities have been rarely quoted directly. However, much that has emanated from Washington about the investigation gives every indication of having been inspired. The famous trial balloon technique has been employed again, we believe.

The SEC probe can have but little resemblance to the ARMSTRONG investigation. In those days life insurance managements were guilty of shady, secretive practices. There was a lot to expose. The inquisitors went straight to the point. CHARLES EVANS HUGHES struck pay dirt with nearly every question he put. It was a clean, surgical procedure, the results of which were wholesome and lasting.

The present investigation can disclose no malodorous practices of any consequence. There is no more high-minded nor socially minded group of men in the country than that which administers the life insurance companies. This talk about managements conspiring to perpetuate themselves by blocking policyholder participation in elections is nonsense. Of course the annual meetings are routine affairs. Why not? Would the investigators like to have them conducted in MADISON SQUARE GARDEN, with the policyholders behaving themselves

like delegates to a national political convention? Except for an occasional citizen with a heavenly gleam in his eye, who has a plan or who is being chased by the bad men from Detroit, how many policyholders yearn to "turn the rascals out," but are frustrated by the machinations of the "rascals"? No more policyholders are so disposed than there are stockholders in the average concern, that is going along all right, who want to have their say at the annual meetings. The policyholder has a real means of making his influence felt, as does the stockholder, if the occasion arises. The fact that annual meetings of mutual life companies are pretty sleepy functions means that the occasion has not arisen, not that the policyholders have been deprived of their franchise.

This matter of size is a question for doctrinaires to debate. Doubtless in every business there is an optimum. In life insurance it might very well be that \$500,000,000 assets is it. That's a lot of money even though one doesn't have it. Some have said that the United States is too large; that we would be better off if we were a more compact organization. Probably there is an optimum for nations. SEC might call that to the attention of MR. HITLER and MR. MUSSOLINI. It might make them decide to stop growing. We recall that at one point in the ARMSTRONG investigation there was discussion of the advisability of letting a life company get so big (we intend some day to look that up and find out how big was so big in those days) and then quit. But that was just an idea. Then and today it is a proposal conceived in a vacuum.

There are profound social responsibilities in the management of wealth, but the mere fact of ownership or control is not evil. If one group of men appreciates its responsibilities, is competent and enlightened, why should they be replaced by another group or their trust divided?

Translating Percentages Into Dollars

THE effect of the interest rate factor is brought out impressively by CONFEDERATION LIFE when it states that had its yield in 1938 been 4.9 percent as it was in 1937 instead of 4.63, surplus would have been \$300,000 greater. Sometimes agents and policyholders, thinking in terms of a frac-

tional percentage, may be inclined to believe that the importance of the interest factor is exaggerated by company managements. Translating that percentage into dollars causes the problem to be more readily appreciated and comprehended by the public.

commendable Style of Presenting Figures

THE management of CONTINENTAL INSURANCE and CONTINENTAL CASUALTY of CHICAGO gets a hand for the style in

which it publishes its financial statement and underwriting and investment exhibit to stockholders. Side by side are printed

the figures at Dec. 31, 1938, and Dec. 31, 1937. This gives at a glance the changes that have taken place in the year. Particularly interesting is the comparison of the various investment classifications, showing clearly the financial policies that have been pursued during the year.

This is the sort of comparison that those who are interested will dig out for themselves if the company does not do so itself. It is a somewhat laborious task, as it involves searching through reference

books for the previous year's statement, but the fascination of annual statements is the disclosure of the work that has been done and the results that have been obtained during the year. That can be arrived at only through making a comparison. The CONTINENTAL companies of CHICAGO put forth a statement that satisfies at a glance practically all of the questions that occur to anyone with ordinary interest in the matter without making a special analysis.

Super Colossal But Not Unprecedented

IN PRAISING, editorially, the record of BEN BLOCH of PEORIA, ILL., who has completed 1,000 weeks of consecutive life insurance production, THE NATIONAL UNDERWRITER should not have indicated that MR. BLOCH's record was supercolossal and unprecedented. We were perfectly justified in saying that it was super-

colossal but not that it was unprecedented. O. F. GILLIOM of BERNE, IND., general agent for LINCOLN NATIONAL LIFE, in DECEMBER of 1938 completed 1,260 weeks of consecutive production. That is certainly superextracolossal, but having learned our lesson we will not say that it is unprecedented.

PERSONAL SIDE OF THE BUSINESS

C. F. Williams, president Western & Southern Life, and Mrs. Williams, who have been wintering at Miami, Fla., were luncheon hosts to J. F. Ruehlmann, vice-president, and Mrs. Ruehlmann, C. C. Stayman, vice-president, and Mrs. Stayman, all of Cincinnati; J. A. Beha, former New York insurance superintendent and company director, New York, and S. B. Gibbons, assistant secretary of the treasury, Washington.

B. L. Tatman, president Reliable Life & Accident, left this week on a ten weeks' world tour. He will sail from Los Angeles on the "Monterey," his itinerary including Tasmania, Honolulu, Samoa, Fiji Islands, the north and south islands of New Zealand and Australia. Tasmania was discovered by the Dutch navigator Abel Tasman in 1642, and Mr. Tatman is a direct descendant of Tasman, the name having been changed.

S. R. Cockrill, Little Rock, agent of the Aetna Life, has been named district governor for the National Exchange club, for the Arkansas district. He is immediate past president of the Little Rock Exchange Club. Mr. Cockrill is a member of the Gordon H. Campbell general agency of the Aetna Life.

President **G. A. Boissard** of the National Guardian Life of Madison, Wis., has gone to Bokeelia, Fla., for the winter. It is located near Fort Myers.

Albert H. Curtis, Boston general agent of the New England Mutual Life is retiring as president of the New England Baptist Hospital Corporation after 15 years service and was presented a silver cup in appreciation by his fellow trustees. He was a trustee for 45 years.

R. R. Lounsbury, president Bankers National Life and Atlantic Life, has been elected a director of the Y.M.C.A. of Montclair, N. J.

Mrs. John M. Boyle, co-general agent of the Minnesota Mutual in Chicago, is

chairman of an all-Chicago committee which will honor President Eamon De Valera, who will visit Chicago May 21. Commissioner Holmes of Montana will be invited to give the main talk at a dinner in President De Valera's honor. Mrs. Boyle's committee will seek to secure 500,000 names on a petition urging the unification of Ireland.

Miss Peggy Nolley, daughter of W. T. Nolley, general agent at Richmond, Va., for the Northwestern Mutual Life, is to be married to W. S. Casparis, Jr., of Piqua, O.

William A. Barrett, general agent of the Continental Casualty accident and health department and of Continental Assurance in Indianapolis, died unexpectedly this week due to a heart attack. Periodical health examinations had shown no disorders. He had been connected with the company about 10 years and had been long in insurance. Previously he was Indiana supervisor of the Metropolitan. Mr. Barrett was about 47 years of age.

John E. Gilbreath, general agent in Chattanooga for Reliance Life, has been named president of the Chattanooga Federal Savings & Loan Association, a recently organized financial institution.

Emil Bienvenue, chief examiner for the Louisiana department, is reported to be seriously ill in a New Orleans hospital.

C. A. Nolte, general agent for the Alliance Life at Detroit, was awarded first prize for the highest percentage of renewals (94.1) in total business of any agency of his company.

Clyde P. Johnson, vice-president of the Western & Southern Life, who has been laid up for the last few months having undergone a serious operation, is spending the winter in Arizona. He is now recuperating and in the spring will be able to get back to regular work.

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statement, statements it has been been ob- can be ar- compari- companies of that satis- the ques- ordinary making a

He is president of the Association of Life Insurance Counsel. President **Charles F. Williams** is spending the winter at Miami, Fla.

Charles E. Becker, president of Great American Life of San Antonio, has been holding some conferences in Chicago during the past few days. He was joined there this week by Mrs. Becker.

O. T. Hogan, president of United of Chicago, is in Miami for a vacation of about six weeks.

DEATHS

George W. Jalonick, Sr., who played such an important part in the insurance history of Texas and who died the other day at the age of 86, always delighted in relating that in 1890 he was rejected for life insurance by one of the large eastern companies. He was one of a group of 10 Dallas men who applied for life insurance at the same time. Five of them were rejected. The company decided that Mr. Jalonick had a weak heart, but he lived to see every one of the five who was accepted for insurance, die.

With W. A. Childress of Houston, Mr. Jalonick organized Southwestern Life. He was active in that organization about two years.

Mr. Jalonick served as chairman of Harvester Life and Gulf of Dallas and at his death was a director in the latter company.

Dr. P. Maxwell Foshay, 71, vice-president and manager of selection of the Mutual Life of New York at its head office, died last week in Montclair, N. J., after an illness of four months. He graduated from Geneva College and the University of Pennsylvania. He joined the Mutual Life in 1900 as medical examiner. He served as medical referee at the Cleveland office and was medical director for some years at Chicago. He went to the head office as superintendent of risks. He became vice-president in 1929. He was a man of cordial temperament and was personally popular. He is survived by a widow and three sons, Dr. Lee Foshay of Cincinnati, Fred Foshey, a broker in New York, and Morgan Foshay, who does transportation work at Montclair, N. J.

H. D. Mouzon, Sr., 62, for the last three years manager at Dallas for the Texas Prudential of Galveston, died of pneumonia. He was manager for the

Amicable Life at Dallas for many years. His son, H. D. Mouzon, Jr., now is manager for the Amicable at Fort Worth.

Mrs. Kathleen B. Gates, wife of **Allan Gates**, Little Rock general agent for the Penn Mutual Life, died suddenly.

Charles Van Petty, 77, Cleveland agent for the Northwestern Mutual Life for 46 years, died at his home in Cleveland Heights. Ill health forced his retirement two years ago.

C. W. Mordoff, 74, former special agent in Toledo for National Life, died at his home in Maumee, O., following a brief illness. He had been associated with the company for 25 years. His wife and a sister survive. Burial was in Belleville, Mich.

Homer H. Cooper, one of the leading life insurance lawyers in Chicago and prominent in the activities of the Chicago Life Insurance Lawyers Club, died last week. While he never did any home office legal work, he represented a number of large companies and was regarded as one of the most eminent men in handling insurance cases in the city.

M. C. Darby, 58, formerly general agent for the Mutual Benefit Life at Jacksonville, Fla., died at Miami, Fla., where he had been visiting. He had been a resident of Jacksonville since 1912.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of Jan. 31, 1939:

	Par	Div.*	Bid	Asked
Aetna Life	10	1.35*	28	30
Central, Ill.	10		9	12
Cent. States Life	5		2	3
Columb. Nat. L.	100		65	72
Conn. General	10	.80	26	28
Contl. Assurance	10	2.00	37	39
Federal Life	10		4 3/4	5 3/4
Great Southw. L.	10	1.30	21	23
Kan. City Life	100	16.00	350	370
Life & Cas.	3	.50	11	13
Lincoln Natl.	10	1.20	25	27
New World Life	10	.40	5 1/4	6 1/4
N. W. Amer. Life	10		2 1/4	3
N. W. National	5	.30	12	14
Ohio National	10	1.25	25	27
Old Line Life	10	.60	10	12
Philadel. Life	10		2	2 1/2
Sun Life, Can.	100	15.00	415	435
Travelers	100	16.00	445	460
Union Cent. Life	20	1.20	25	30
Wis. National	10	1.00	15	17

*Includes extras.

Canadian Sales Decrease 2.55 Percent in 1938

TORONTO—Total sales of new ordinary life insurance in Canada and Newfoundland amounted to almost \$380,000,000 in 1938, the Canadian Life Insurance Officers Association reported. The figures were compiled from data supplied by 18 companies having 87 percent of total business in force in the two dominions, and exclude group and wholesale insurance, annuities, pension bonds without insurance, reinsurance and revivals, etc. The 1937 total was \$389,800,000, so there was a decline of 2.55 percent in 1938. However, gains were shown in Alberta, Manitoba, Nova Scotia, Prince Edward Island and Newfoundland.

The greatest percentage gain was in Newfoundland and greatest percentage decline in Saskatchewan. Comparative figures for the past two years (000's omitted) are:

	1938	1937
British Columbia	\$ 29,582	\$ 30,150
Alberta	16,660	15,272
Saskatchewan	10,185	11,778
Manitoba	22,261	20,512
Ontario	169,864	170,735
Quebec	99,959	110,103
New Brunswick	9,361	10,686
Nova Scotia	15,554	15,036
Prince Ed. Is.	1,705	1,688
Newfoundland	4,398	3,910
Total	\$379,905	\$389,870

The 1938 total exceeded the \$376,885,-

000 in 1936.

Sales in December were slightly lower than in November.

**100 So. La Salle Street, Chicago
New York and Other Cities**

GUARANTEE MUTUAL LIFE COMPANY

ORGANIZED 1901
OMAHA, NEBR.

THIRTY-SEVENTH Annual Statement

JANUARY 1, 1939

Assets

	Per Cent of Total Assets	
Cash	2.57%	\$ 561,331.46
Bonds:		
U. S. Government	\$ 296,768.65	
State, County and Municipal	8,124,001.97	38.53%
Canadian—Dom., Prov. and Mun.	1,044,705.75	4.78%
Public Utilities	1,907,717.10	11.36%
Other Bonds	575,000.00	
Total	54.67%	11,948,193.47
First Mortgage Loans:		
Farm Properties	731,311.41	
City and Other Properties	1,899,394.01	12.04%
Total	2,630,705.42	
Stocks	1.54%	336,343.75
Home Office Property	1.39%	303,843.92
Real Estate Owned	5.36%	1,172,358.38
Policy Loans	17.66%	3,860,681.12
Interest Accrued	.83%	181,641.51
Premiums in Course of Collection	3.72%	813,501.03
Other Admitted Assets	.22%	48,288.56
Total Admitted Assets	100%	\$21,856,888.62

Reserves and Liabilities

Legal Reserve	\$17,548,856.00
Reserve for Income Policies	599,744.00
Reserve for Claims Awaiting Proofs	127,901.29
Reserve for Taxes, etc.	127,060.00
Dividends Payable to Policyholders	193,591.77
Advance Premiums and Trust Funds	837,212.84
Total	\$19,434,365.90
Contingency Reserve	1,000,000.00
Surplus Unassigned	1,422,522.72
Total	\$21,856,888.62

Results—Year 1938

1938 Payments to Policyholders and Beneficiaries	\$ 1,949,107.33
Total Payments to Policyholders and Beneficiaries Since Organization (37 Years)	33,684,148.71
Insurance Issued and Restored During 1938	20,729,662.00
Insurance in Force, January 1, 1939	135,723,650.00

For Agency Opportunities Write to
A. B. Olson, Agency Vice President

NEWS OF THE COMPANIES

Richard Boissard Is Placed in Charge

Richard Boissard has been elected vice-president and general manager of National Guardian Life of Madison, Wis. Heretofore he has had the title of vice-president and actuary. For the past several years he has been assuming increasing management responsibilities



RICHARD BOISSARD

and is well equipped now to assume control. His father, George A. Boissard, the president, has been able to relieve himself of much close attention to the business in the last two years. In addition to president he has had the title of treasurer as well. He now relinquishes the later title and W. J. Wandrey, heretofore secretary, has been elected treasurer. Dirk Heezen has been made actuary.

John St. John, who is vice-president and general manager of the Madison Gas & Electric Co., has been elected a vice-president of National Guardian.

Richard Boissard has an actuarial grasp of the business. He is a student and he is close to the field organization.

President George Boissard has now left for a rest of several weeks in Florida.

B. M. A. Advances Several in Home Office Staff

KANSAS CITY—Several promotions were made at the annual meeting of the Business Men's Assurance. Grant Torrence, assistant treasurer, moved up to treasurer, succeeding the late J. E. McPherson. I. H. Wagner, assistant secretary, was elected comptroller, and H. C. Pogue was named manager of hospitalization service. David Alport will continue as chief underwriter, but has the added title of assistant secretary.

J. P. Baldwin, vice-president and manager at San Francisco, who has had charge of the California territory, now has supervision over all the Pacific Coast offices, including Portland and Seattle.

The company elected a new director, Grant Stauffer, of the Sinclair Coal Company, but left vacant the post of general counsel and vice-president which was held by the late Solon T. Gilmore. A. I. Beach, who recently died, former mayor and general attorney B. M. A., was to have been elected to that position.

Life insurance in force Dec. 31 was \$116,232,104, a gain of over 1½ millions; income was \$6,200,157, up \$91,486; assets \$17,800,142, up \$1,901,592, or almost 12 percent.

The Shenandoah Life of Roanoke, Va., gained \$8,643,498 insurance in force, making that item \$179,861,487.

Hall, McAndless Change Is Effected

At the annual meeting of Lincoln National Life, Arthur F. Hall, president and founder, became chairman of the board and A. J. McAndless, executive vice-president, advanced to the presidency. That this change would be made was previously announced. Mr. Hall will continue as the chief executive. Management and the policies of the company will remain unchanged. Mr. McAndless, the new president, becomes the officer in charge of administration.

In his message Mr. Hall pointed out that this is a shift in title rather than management.

"This move," he declared, "does not indicate my intention to relinquish direction, but indicates preparation for the future which is the duty of progressive management."

"The Lincoln National is the only life insurance company with one person continuously at its head from the time of its organization until the time it reached a billion dollars of insurance in force."

Three New Officials Chosen at Meeting of Monarch Life

Two new vice-presidents and an assistant secretary have been elected by the Monarch Life of Springfield, Mass. F. L. Merritt is vice-president and agency manager; J. H. Miller, vice-president and actuary, and G. B. Smith, assistant secretary. Mr. Merritt joined the company in 1932 as supervisor, then became superintendent of agencies and then agency manager. For seven years he was with the Connecticut Mutual Life in Springfield as salesman and supervisor. Mr. Merritt was educated at Peoples Academy, Morrisville, Vt. He was associated with the New England Box Company and went to Springfield when it purchased the F. M. West Box Company.

Mr. Miller is a native of Washington, Pa., graduating from Washington & Jefferson College in 1927. He was an actuarial clerk in the group life department at the head office of the Metropolitan Life. He then joined the actuarial firm of Woodward, Fondiller & Ryan of New York City. He then went with the Monarch Life as actuary.

Mr. Smith for three years was treasurer of the National Casualty of Portland, Me. He then became superintendent of claims for the Maine Insurance Company until 1912 when he was made superintendent of claims at the head office of the Columbian National Life. In 1917 he went with the Loyal Protective as its claims superintendent, becoming secretary in 1930. He joined the Monarch in September, 1932, as manager of the claim department.



DR. H. F. STARR

Dr. H. F. Starr, vice-president and medical doctor of Pilot Life, has been elected a director of that company as well. He joined Pilot Life in 1917 as assistant medical director. The next year he was advanced to medical director and in 1931 was elected vice-president as well. He is a graduate of the University of North Carolina and Jefferson Medical College.

Promote Executives



C. D. DEVLIN

Four assistant general managers were appointed in the Confederation Life. Since 1932, when V. R. Smith was advanced to general manager, the company has had no assistant general manager. The four are: C. D. Devlin, general superintendent of agencies; J. H. Birkenshaw, actuary; J. K. Macdonald, executive secretary, and J. G. Godsoe, executive assistant and solicitor.

Mr. Devlin has been connected with Confederation 29 years, for the last ten heading the entire agency organization in 24 countries. Mr. Birkenshaw joined the actuarial department in 1913, becoming actuary in 1936. Mr. Macdonald, grandson of the founder, the late J. K. Macdonald, and son of President C. S. Macdonald joined the actuarial staff in 1926. Mr. Godsoe joined the Confederation in 1931.

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Ohio State Promotes Two

At the Ohio State Life's annual meeting in Columbus, Dr. C. E. Herron, associate medical director, was made medical director and will co-operate with the present medical director and vice-president, Dr. C. E. Schilling. Clarence E. Patterson has been named associate counsel. The regular 25 cent dividend and a 20 cent additional dividend on the capital stock was declared. The shares are \$10.

Merchant Is Named Director

G. N. Dayton, president and treasurer Dayton Co., Minneapolis department store, was elected a director of the Northwestern National Life.

General Agents Greet Bixby

KANSAS CITY—Over 30 general agents of the Kansas City Life representing larger territories were at the home office to pay their respects to W. E. Bixby, newly elected president, and informally to confer with J. Frank

Barr, vice-president in charge of agencies, and other executives on plans for 1939.

Dark Retires As Actuary

T. A. Dark, actuary of the Excelsior Life is retiring due to ill-health. In 1937 he underwent a serious operation, from which he has not yet fully recovered. He joined the Excelsior's actuarial department in 1904 and from 1924 to 1929 was actuary and general manager. A. W. Johnston and G. P. Thomson, were appointed joint actuaries. Mr. Johnston joined the Excelsior actuarial department in 1916 following graduation from the University of Toronto. Mr. Thomson graduated from Queen's University in 1926, and immediately joined the Excelsior actuarial department.

Burch Moves to Indianapolis

R. B. Burch, supervisor of division 2 great middle department New York Life, has moved his headquarters to Indianapolis from Louisville. Division 2 includes Kentucky, Indiana and a part of eastern Illinois. Offices have been opened in the Merchants Bank building, Indianapolis. Mr. Burch has been with the company 27 years. He became supervisor at Louisville in charge of the Louisville, Indianapolis and Fort Wayne branches early last year. The purpose of the move to Indianapolis is to centralize the executive offices.

Lundgren Visits Agencies

Warren Lundgren, assistant director of agencies Northwestern Mutual Life, is on a three-week trip through the southern part of the western territory under his supervision this year, making

Director of Agencies of Great Northwest Life



CARL F. KING

Carl F. King has resigned as supervisor of agents for Illinois Bankers Life to become director of agencies of Great Northwest Life of Spokane, Wash. President Samuel P. Weaver of Great Northwest has made two visits to the east recently interviewing men for this position.

Mr. King has been with Illinois Bankers Life for the past 4½ years. From 1929-34 he was agency supervisor for American Insurance Union, Inc. He entered the business in 1923 with Metropolitan Life in Delaware, O. In 1925 he was made district manager and moved to Columbus, O.

In Illinois Bankers Life he has been first assistant to Vice-president Karl B. Korrady.

Great Northwest Life has completed its 10th year of existence. Insurance in force exceeds \$11,000,000. Mr. Weaver is devoting himself to the building of a permanent institution.

his initial visit and addressing sales meetings of the general agencies of C. S. McMartin at Albuquerque and Phoenix; W. K. Murphy, Los Angeles; R. J. Shapley, San Francisco; J. A. Carlson, Oakland; J. H. Kemp, Stockton, and Charles Guilford, Salt Lake City.

Colorado Life's Business

The Colorado Life issued business last year was \$5,667,516, as compared with \$7,039,856 the previous year. The insurance written last year was \$6,002,509, as compared with \$7,213,734.

Brown Is New President

Vollie Brown is new president of the Acme Life of Tulsa, Okla., succeeding W. R. Shirley, who became chairman of the board of directors.

Read Assistant Treasurer

W. L. Read was elected assistant treasurer of the Central Life of Des Moines at the annual directors' meeting, succeeding L. C. Morris, who has resigned to become Iowa representative of A. G. Becker & Co., Chicago investment house. Mr. Read has been in the investment business at Des Moines. He is a graduate of Princeton and Harvard law school.

Taggart Raises the Ax

M. H. Taggart, the new Pennsylvania commissioner, announces that he will pursue an economy program and will reduce the department staff 37 to 55 positions.

General Robert E. Wood, president of Sears, Roebuck & Co. of Chicago, who was serving temporarily as director of the National Life of Vermont, has now been elected for a three year term. He attended the directors meeting for the first time.

Named Agency Manager by American Life of Ala.



J. ORLANDO OGLE

J. Orlando Ogle has been appointed agency manager of the American Life of Alabama. For eight years he has been Birmingham manager of the Pan-American Life.

Mr. Ogle is a former president of the Alabama Association of Life Underwriters and a well known personal producer.

Basil P. Autrey will continue as field supervisor for the American Life, associated with Mr. Ogle in direction of the agency department. They formerly worked together with Pan-American Life.

berts, Roswell, N. M., first vice-president, and E. B. Head, Birmingham, second vice-president.

J. T. Lynn, vice-president in charge of agencies, announced the next gathering of the clubs will be held in California some time in July, 1940. The qualification period is Dec. 1, 1938-Dec. 31, 1939. Persistency rates for qualifying will be based on individual life production in the period July 1, 1937-June 30, 1938.

American Mutual Conference

At the general agents conference of the American Mutual Life of Des Moines Agency Vice-President J. J. Moriarty reviewed the accomplishments of 1939 and outlined the general plan for this year. Secretary G. F. Wall gave a picture of the annual statement, discussed economic conditions and their relation to the problems of life insurance selling. A. W. Larsen, actuary, led the round table discussion on the use of settlement options and other related subjects. H. S. McConachie, assistant superintendent of agents, dwelt on recruiting plans and agency financing introducing a rating chart for use this year. R. B. Reynolds, director of sales service, gave a talk on prospecting and time control and presented a new series of sales brochures. It is announced that the 1940 convention will be held in Miami. J. J. Prather

told about the plans and also contests that will be initiated.

Reliance Meet in Baltimore

Baltimore agents of the Reliance Life held a meeting. H. T. Burnett, vice-president in charge of agencies, and A. D. West, assistant secretary, spoke. Manager H. P. Savage presided.

Bankers of Nebraska Meet

The annual agency convention of the Bankers Life of Nebraska will be held at Lincoln, Feb. 9 and 10. Agency Manager I. L. Devoe has prepared a definite plan of action for 1939 for the agency force and discussions will concern themselves with planned co-operation to achieve definite goals.

January was a month of district agency meetings for the *Senboard Life* of Houston. District managers and the Houston agency held meetings. These were followed by district meetings at College Station, and Nacogdoches. Officers from the home office attended all meetings. Plans were mapped for the remainder of the year.

A big cake with 50 candles went to Allan Kennedy, Fort Smith, Ark., at a Lions Club meeting in celebration of his half-century in the insurance business. H. K. Albers, Kennedy's partner, exhibited a 50 year old insurance policy.



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LIFE SALES MEETINGS

Minnesota Mutual Plans Regional Meetings

ST. PAUL—Nine regional agency meetings will be held during the coming summer by the Minnesota Mutual Life with attendance based on production in the first half year.

The country has been divided in three zones, eastern, central and western, and three meetings will be held at convenient locations in each zone. Each meeting will cover three nights and two days, and at each different home office departments will be represented.

Because of the regional meetings no general convention is planned in the immediate future, except that to be held in Mexico early in February. If the regional meetings this summer prove successful another series may be held early in 1940, based on production the last half of 1939.

It is expected approximately 150 agents, home office representatives and wives will attend the convention in Mexico. Agents from different parts of the country will meet at San Antonio, Tex., where a special train will take the entire party to Monterey. A large number of agents have won a side trip to Mexico City.

Regional Meet at Salt Lake City

Agents of Mutual Life of New York from Utah, Idaho and Nevada, held their annual convention at Salt Lake City, with Manager Carson S. Bechtel in charge. R. S. Wells, the company's first Utah manager in 1894, spoke. Now in his 84th year retired several years ago to devote his time to church work. Fred J. Wagstaff, president Salt Lake Life Underwriters Association, spoke. The convention theme was "Improving Plans and Methods to Reach 1939 Objectives."

National Life & Accident Holds Territorial Meetings

NASHVILLE—National Life & Accident will conclude a series of territorial meetings Feb. 6-7, when those from the southern territory will meet in Birmingham. The northwestern territory, composed of Missouri, Kansas, Nebraska, Illinois, Indiana and Kentucky, held its meeting in St. Louis. At the meeting were President C. R. Clements, Executive Vice-presidents E. W. Craig and E. B. Stephenson; J. E. Willis, vice-president of the ordinary department; and Assistant Vice-president E. L. Stritch; Sales Promotion Manager Powell Stamper; Manager N. T. Webb, and Supervisor C. E. Messingill of the northwest section.

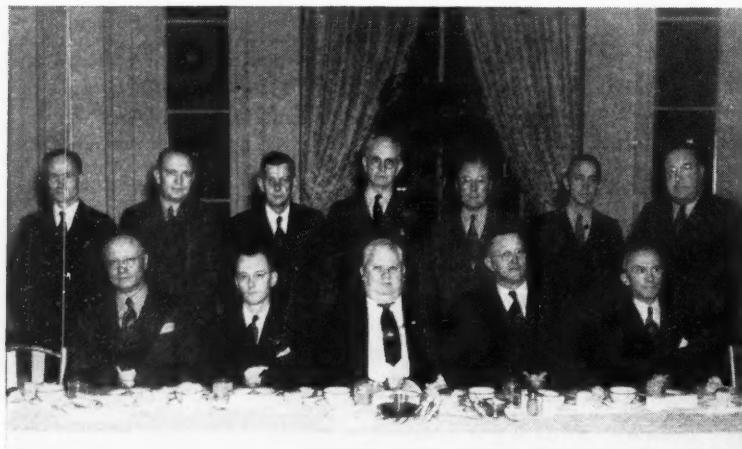
The meeting for western territory was held at Dallas with the same officials present except Mr. Clements. W. H. Julian, manager, and I. E. Smith, and L. W. Sharp, supervisors, were on hand.

The annual meeting for southern territory will have the same officials attending with G. C. Lynch, manager, Ed. Moser and Charles Luker, supervisors, at hand. The time and place for the annual meeting for northern territory will be decided later.

Production Clubs' New Officers

The General American Life general agency in Houston, Tex., headed by William Strauss is the current holder of the "president's cup," having produced the greatest percentage of increase in paid premiums for the last quarter of 1938. Officers of the production clubs elected at the Miami agents convention meeting are: President's club, Edmund Burke, St. Louis, president; R. R. Dodson, Pittsburgh, first vice-president, and Matthew Brown, San Antonio, Tex., second vice-president; Leadership club: E. D. Sharpe, Detroit, president; G. A. Ro-

Toast Southern Life Florida Move



Florida and Georgia insurance department representatives and officers and directors of Southern Life of Georgia gathered for a banquet in Jacksonville to mark the entry of Southern Life into Florida where it already has a growing agency nucleus. Dr. Dan Y. Sage, president of Southern Life, presided.

The Jacksonville office is in charge of Jack Rees, who plans an aggressive development.

Southern Life had new paid business in 1938 \$2,085,000 and insurance in force is \$3,500,000, gain \$834,000. The 1939 goal is \$5,000,000 in force.

In the picture of the Jacksonville banquet appear:

Back row (left to right)—J. C. DeLony, director policyholders service; I. L. Lingle, salary savings department; C. H. Cushman, agency director; B. Graham West, secretary; Victor Todd, director; Jack Rees, manager Jacksonville; Price R. Cross, assistant secretary.

Front row—W. A. Landers, director; Ralph G. Davis, deputy commissioner of Florida; A. H. Roberts, assistant commissioner Florida; Dr. Dan Y. Sage, president, and A. R. Wright, deputy commissioner of Georgia.



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(Increased by \$3,338,446)

TOTAL INCOME for the YEAR was \$8,905,498

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LIFE AGENCY CHANGES

Provident Mutual's Indianapolis Setup

The Provident Mutual Life has appointed Shoptaugh, Spence & Barrett general agents for Indiana, with offices at 701 Guaranty building, Indianapolis. The partnership consists of A. G. Shoptaugh, E. M. Spence and Wendell Barrett, well known Indianapolis life men.

Mr. Shoptaugh has been general agent for the Provident Mutual in Indianapolis since 1930, prior to which time he had a record as a successful producer in Louisville.

Mr. Spence has taken a prominent part in the activities of the life underwriters association in Indianapolis and in Decatur, Ill. At present he is first vice-president of the Indianapolis association.

Mr. Barrett has been in both personal production and supervisory work. He is secretary and director of the Indianapolis Association of Life Underwriters.

Wright & Adams Get Lincoln National for Indianapolis

Wright & Adams have been appointed general agents for the Lincoln National Life in Indianapolis with offices at 914 Electric building. L. S. Wright has been in the life business in Indianapolis for 19 years. For several years he had personal production in excess of \$500,000. Recently he has been office supervisor.

Fred C. Adams has been in life insurance sales work for 10 years. As district agent he had an excellent record of production from new men.

Cottle Toronto Manager

The Manufacturers Life has appointed Stan Cottle manager of the Toronto branch. He formerly was associated with the Montreal South branch and has a long record of success in the business.

Wright Named at Peoria, Ill.

Harold A. Wright has been appointed district manager at Peoria, Ill., by L. S. Broaddus, manager Guardian Life, Chicago. Mr. Wright is in Peoria selecting office space. He entered the business last September and has been in training at Chicago. Formerly he was an auditor at Peoria for six years.

Join Braunig's Organization

Harry Katzman, for the past 12 years manager of a life office in Boston, has joined the J. S. Braunig general agency of the Massachusetts Mutual in Boston.

Harcus Named at Austin, Tex.

J. L. Harcus becomes manager of the ordinary department of the American National at Austin, Tex. He formerly was with the company at Houston for 16 years.

Bankers, Neb., Appoints Two

W. H. Fetter, a home office supervisor of the Bankers Life of Nebraska, has been named general agent at Independence, Mo. G. F. Garrison, who returns to the company after a year's absence, will be general agent at Salina, Kan.

AGENCY NOTES

J. E. Hiatt, Rockwell City, Ia., has been appointed general agent over eight counties for the Service Life of Omaha.

James M. Leonard has been appointed general agent for the Union Labor Life at 308 Title Guaranty building, St. Louis.

Henry W. Morris, home office group representative for the John Hancock Mutual Life, has resigned to join the Indiana agency headed by Dan W. Flickinger.

Agency Supervisor



TOM C. HAMMOND

Tom C. Hammond of Benton Harbor, Mich., has been appointed agency supervisor for the L. C. Furniss Agency of the Minnesota Mutual in Michigan. Mr. Hammond for some years has been prominent in insurance circles in Benton Harbor, where he has been a district manager for the Minnesota Mutual. He will continue to serve as district manager for Benton Harbor district agency and in addition, supervise and assist in the production of the other agents throughout the state.

Mr. Hammond has served as president of the Benton Harbor Life Underwriters Association.

Other recent appointments in the Furniss Agency for Grand Rapids are Ned R. O'Neill as district manager in Lansing, and E. F. Guthrie as district manager in Kalamazoo.

CHICAGO

FIELD'S CHICAGO OFFICE MOVED

The Chicago editorial and business offices of the "Insurance Field" have been moved from 953 Insurance Exchange to 1325, 166 West Jackson boulevard. The Insurance Field Company formerly occupied space in the Insurance Exchange with the Ben P. Branham Company, which was recently succeeded by the Branham Printing Company.

The "Insurance Broker" and "Insurance Post" will share the quarters with the "Insurance Field."

BROADDUS AGENCY WELL AHEAD

A paid production increase of 8.4 percent over 1937 was recorded last year by the agency of L. S. Broaddus, manager Guardian Life, Chicago. The office had a gain of 200 percent in December, and October and November production was large. Mr. Broaddus' agency placed 11th in the Guardian countrywide in December and 16th for the year.

TRAVELERS CLAIMS CONFERENCE

Three Travelers home office claim department officials have been holding conferences in Chicago with the claim department men in the branch there for a week. They are H. S. Don Carlos, manager life and accident claim division; Frank W. Cavanaugh, the assistant manager of the division, and Dr. M. C. Wilson, medical director accident department. A luncheon and dinner were held and group meetings at which there was discussion of disability and

fraudulent claims with a showing of movies taken in such cases to defeat the claimants.

SWANSON AGENCY PLACES SEVENTH

The H. G. Swanson general agency of the New England Mutual, Chicago, placed seventh countrywide in that company in 1938, paying for \$5,000,000. The office had the leading New England Mutual agent in Chicago and the leading woman agent in the country. March 2 Mr. Swanson will celebrate the eighth anniversary of his agency with a get-together to be addressed by a company official. Mr. Swanson has 30 full time agents on his staff.

SCHWEMM GOING TO FLORIDA

Earl M. Schwemm, manager Great-West Life, Chicago, will go with his family Feb. 2 to Fort Lauderdale on vacation with Arthur P. Johnson, Detroit manager, and his family. Mr. Schwemm will talk at the Florida life insurance sales congress at Jacksonville Feb. 4. The Schwemm agency, which led the Great-West in the United States and Canada last year, paid for about \$600,000 in January.

Kabureck Heads New Venture

An instrumentality has been organized by Acme Life of Tulsa known as Guarantee Investment Bond, Inc. It has been granted a permit by the Oklahoma Securities Commission authorizing the sale of 1,000 so-called five-year pay 10-year endowment investment bonds in the amount to the total of \$750,000. George Kabureck is head of Guaranteed Investment Bond. He is agency director of Acme Life. Kabureck was formerly located in Springfield, Ill., where he had a number of assessment companies.

Kabureck states that Guarantee Investment Bond will place 50,000 shares of stock of Acme Life. He states it will be the means of acquiring \$15,000,000 of life insurance through the sales of these bonds.

NEWS OF LIFE ASSOCIATIONS

Stassen Praises Life Companies

MINNEAPOLIS.—Life insurance was praised by Governor Stassen at the first state sales congress held by Minne-



FRANK M. SEE

sota Association of Life Underwriters. He spoke at a luncheon meeting attended by nearly 700 agents and company men.

F. M. See, St. Louis agency of New England Mutual Life, conducted the educational part of the program. J. D. Serrill, president state association, and O. A. Reeves, St. Paul, were in charge of the meeting. A seminar on agency

problems was conducted by A. L. Dern, vice-president Lincoln National Life.

Referring to the growing demand for economic security for the masses, Gov. Stassen declared that a political inquisition of life insurance companies would only "add to insecurity of millions of people." He praised the record of life companies in meeting the economic stress of recent years, stating that without the financial cushion that the companies provided, conditions would have become chaotic.

Birmingham Sales Congress Has Noted Speakers

BIRMINGHAM, ALA.—More than 200 agents attended the annual sales congress held here under the auspices of the Birmingham and Alabama Association of Life Underwriters. B. H. Walker, president Birmingham association, presided in the morning and H. J. Baum, president state association, in afternoon. Visiting agents were welcomed by M. A. Davidson, vice-president Birmingham association and program chairman.

Among the speakers were H. J. Johnson, president National association, P. C. Sanborn, Connecticut Mutual, Boston, chairman, Million Dollar Round Table, Max C. Fisher, assistant secretary of Metropolitan, who spoke on "The 1939 Streamlined Agent," and Isadore Samuels, Denver, trustee National association, who spoke on "Keep Your Lamp Lit."

Superintendent of Insurance F. N. Julian of Alabama, spoke at luncheon at which the four local companies, superintendents, general agents and managers were hosts.

Cashiers Division Is Formed

The cashiers division of the Chicago Association of Life Underwriters was formed at a meeting of 70 cashiers which was addressed by J. H. Brennan, Fidelity Mutual, membership chairman; W. H. Siegmund, Zimmerman agency Connecticut Mutual; C. B. Stumes, Chicago association president, and Miss Joy M. Luidens, executive secretary. Life offices will be canvassed by a committee of 12 with Miss Christine Ludwig, Caperton agency State Mutual, as chairman, to secure members for the new division. The committee met Thursday with Messrs. Brennan, Siegmund and Stumes, Miss Luidens, and George Huth, Ewing agency Provident Mutual, co-chairman membership committee. Other members of the committee of 12 are: E. B. Bronson, New York Life; Ann Donohue, Stumes & Loeb agency Penn Mutual; Ethel Elmer, Connecticut General; F. L. Johnstone, Thurman agency New England Mutual; Peter Miller, Equitable Society; John Papenhausen, Houze agency John Hancock Mutual; O. C. Rossler, Hastic agency, Mutual of New York; J. J. Salins, Aetna Life, and Lydia Swanson, Metropolitan. The Chicago association this week launched its membership drive to maintain its standing as the largest association. Membership is 70 more than the 1678 reported at the Houston national convention.

Providence, R. I.—I. S. Kibrick, New York Life, top producer, Brockton, Mass., will talk Feb. 7.

Louisiana—L. E. Throgmorton of the Aetna Life at Shreveport, was elected president of the state association; Albert Peart, Mutual Life of New York at Alexandria, vice-president; Buffington Mayer, Union Central of Baton Rouge, secretary and treasurer. There will be a state-wide convention at Alexandria in April or May.

Harrisburg, Pa.—Richard H. Campbell of the Fidelity Mutual at Altoona, Pa., was principal speaker, his topic being, "You Asked for It." He was introduced by E. H. Schaeffer, general agent Fidelity Mutual. President R. R. Burther presided. R. C. Mahoney, mem-

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(Cont. on next Page)

bership chairman, reported. P. R. Teitrick, program chairman, outlined plans. H. J. Johnson, president National association, will speak at the annual meeting June 9.

Seattle, Wash.—Rev. J. Warren Hastings spoke on "Handling Fear."

Philadelphia—A new high in attendance is expected for the fifth annual mid-winter luncheon and sales conference Feb. 27. Among speakers will be C. P. Dawson, production manager Beers agency, New England Mutual Life, New York, and C. Petrus Peterson, general counsel Bankers Life of Nebraska. A third speaker will be a man of outstanding national prominence.

Boston—Some 25 Boston agency leaders will staff a comprehensive 14 weeks sales training school started Feb. 2. Lecturers include: Paul F. Clark, vice-president, John Hancock Mutual Life; James R. Warren, supervisor Massachusetts Mutual Life; Clyde F. Gay, general agent Aetna Life; Sherrill A. Smith, manager, Travelers; Mitchell M. Rosser, Phoenix Mutual Life; George H. Chase

and Paul L. Guibord, supervisor, Connecticut Mutual Life; J. S. Braunig, general agent, Massachusetts Mutual; Walter H. Boireau, general agent, Berkshire Mutual Life; Charles B. Johnson, general agent, John Hancock Mutual Life; Wallace N. Watson, general agent, Connecticut Mutual; Simon D. Weissman; Merle G. Summers, general agent, New England Mutual Life; Henry M. Fraser, Jr., general agent, Penn Mutual Life; Winslow S. Cobb, Jr., New England Mutual Life, and Commissioner Harrington.

Pittsburgh—The educational course sponsored by the Pittsburgh association and its agencies committee, will be held Saturdays from Feb. 25 to May 20. Classes will be from 9:30 to 11:30 a. m. The first session will be devoted to fundamentals and selling, when speakers will be Paul Speicher, R. & R. Service, and C. J. Zimmerman, general agent Connecticut Mutual, Chicago. The final session will be combined with the regular May meeting. Certificates will be conferred by H. J. Johnson, general agent Penn Mutual, Pittsburgh, and president National association, and W. M. Duff,

president E. A. Woods Company, general agents Equitable Society, and National association trustee. H. W. Abbott, general agent Massachusetts Mutual is general chairman. D. R. Mason, general agent Aetna Life, Syracuse, N. Y., will speak Feb. 8 on "How to Become a Poorer Agent."

Cleveland—Chief Justice Weygandt of Ohio supreme court spoke at the January meeting, lauding the life insurance fraternity for its development and professional attitude, and the association for educational steps taken. Warren Smith, association head, presided. Frank Gold, Mutual Life of New York, awarded 152 diplomas in the educational course.

Colorado—The annual sales congress of the Colorado association will be held at Denver early in March in conjunction with the Denver association.

Denver—"The Task and Fabric of Life Insurance" was the subject of an interesting talk given by Roy Bayless, field assistant Equitable Society at a breakfast meeting. He emphasized the future of life insurance, pointing out that a man who sells a monthly premium policy has guaranteed himself an income for 120 months.

The Cleveland agency of the Ohio State Life gave a surprise birthday party in honor of Manager Carl Adams. M. V. Woolen, superintendent of agencies, was present.

Testimonial Dinner to Be Held for J. A. Lloyd

A testimonial dinner will be given in Columbus, O., Feb. 17 for J. A. Lloyd, former secretary Ohio Association of Insurance Agents, recently appointed Ohio insurance superintendent. The dinner will be sponsored by the association.

The committee in charge of arrangements is composed of past presidents: H. L. Meek, Columbus; F. P. O'Connor, Lima; H. A. Martin, Toledo; Austin McElroy, Columbus; President L. C. Jones, Youngstown, and B. D. Lecklider, Ohio Casualty; I. L. Morris, Buckeye Union Casualty; L. G. Purmort, Central Manufacturers; Don McVey, Ohio Farmers; Claris Adams, Ohio State Life; W. C. Safford, Western & Southern, J. Boyd Davis, Ralph W. Hoyer and W. H. G. Kegg, Lumbermen's, Mansfield.

Fire, life and casualty agents, field men and company executives will be invited to attend. A number from out of the state are expected to be present.

P. R. Gingher, acting association secretary, will be toastmaster. Among the speakers will be C. H. Jones, Jackson, new director Ohio department of commerce, of which the insurance division is a part.

The COLONIAL LIFE INSURANCE COMPANY of AMERICA

A PUBLIC SERVANT SINCE 1897

The Colonial patriot, George Washington, said: "To be prepared for war is the most effectual means of preserving peace," and this suggests to us, "To prepare for death is the most effective means of preserving the family."

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Founded nearly half a century ago, its assets have mounted to over \$128,000,000.

Its investments are largely in Government, State and Municipal Bonds.

It has paid to beneficiaries over \$258,000,000, and to living members over \$47,000,000.

For each \$100 of reserve and current liability it has assets on hand of the value of \$123.14.

Through prosperity and depression, war and epidemic, its financial strength has paralleled its record of insurance and fraternal service.

It maintains at San Antonio, Texas, an endowed free hospital for members who suffer with tuberculosis. This institution is on the accredited list of the American College of Surgeons.

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LEGAL RESERVE FRATERNALS

Additional Programs of N. F. C. Sections

Other section programs for the mid-winter meeting of the National Fraternal Congress in Chicago Feb. 21-22 are announced this week.

A. O. Benz, head of the Aid Association for Lutherans, Appleton, Wis., will preside over the Presidents Section meeting Feb. 21. In the afternoon session, Dr. Herbert P. Kennedy, medical examiner Woodmen of the World, will talk on "Medical Underwriting Problems Confronting Executives of the Fraternal Societies." Carl H. Chatters, executive director Municipal Finance Officers Association, will speak on a subject not announced. The next day Arthur H. Brayton, Des Moines, who addressed the Toronto annual meeting, will talk on "Sales Opportunities" in the morning, and Otto C. Rentner, general counsel Aid Association, on "Statutory Legislation." In the afternoon L. A. Griffin, manager municipal department Moody's Investors Service, will speak on "Municipal Bonds as Investments." Additional speakers are being secured to complete the program the second day.

Other officers of the section are: First vice-president, Frank E. Hand, head of the I. O. O. F., Toronto; second vice-president, O. E. Aleshire, head of the Modern Woodmen, and secretary, Walter C. Below, president Fidelity Life.

N. F. C. Officers to Attend

General officers of the N. F. C. will be in attendance, headed by C. L. Biggs, recorder Maccabees, Detroit, Miss Frances D. Partridge, secretary Woman's Benefit, Port Huron, Mich., is vice-president. Foster F. Farrell, executive secretary-treasurer and manager, will report on operations of the Chicago headquarters office.

There is expected to be a meeting of the N. F. C. executive committee, of which Mr. Biggs is chairman, reports of the committee on legal cooperation, headed by J. M. Miller, Chicago, Woman's Benefit, and other committee chairmen including that on statutory legislation by Chairman Rainey T. Wells, general counsel Woodmen of the World, Omaha.

Law Association to Meet

The Fraternal Society Law Association will meet Feb. 21-22 in the Morrison hotel, convention headquarters. E. W. Dillon, general attorney United Commercial Travelers and association president, will preside. Very large attendance is expected due to the many legal and legislative problems this year.

Francis Taptich, president United Societies of Greek Catholic Religion, of McKeesport, Pa., will present a paper on the "Libel and Slander Affecting Fraternal Societies." Harold C. Heiss and Russell B. Day, Cleveland, will present a paper on "Constitutional aids in securing uniform application of laws of fraternal benefit societies."

J. M. Stevens, Jr., Jackson, Miss., will give a paper on "Is submission of proof of disability prior to lapse of contract with fraternal benefit society a condition precedent to recovery for total permanent disability? Effect of statutes of limitation on causes of action where proofs are regarded as condition subsequent and not condition precedent."

Howard J. Lowry, Madison, Wis., will present a paper on "Current decisions on the right of cancellation of insurance contracts because of fraud on the part of the insured." Joseph F. Sheen, Chicago, will also present a paper on some insurance law topic.

Hill Montague, president Mutual Life Association, Richmond, Va., will talk on "George Washington" at the joint association and N. F. C. luncheon Feb. 22.

Association officers are: President,

E. W. Dillon, Columbus, O.; past president, John A. Willo, Youngstown, O.; vice-president, Arthur J. Abbott, Detroit; treasurer, Arthur J. Donovan, Chicago; secretary, Richard F. Allen, Standard Life, Topeka, Kan.

The Fraternal Actuarial Association will have informal discussions on various questions. The tentative program calls for outline and discussion of plans for compilation and publication of text on fraternal insurance accounting, loadings of old line and fraternal companies: What should be the difference in loading due to expense of fraternal or lodge activities? What are the offsets or benefits derived from these lodge expenditures? To what extent should loadings be based upon asset-share analyses? Gain and loss exhibit and analysis of statements as to sources of gains and losses: What are the advantages and disadvantages of a gain and loss exhibit? What are the alternative plans? Per capita tax or percentage of premium expense loading: What effect has the size of policies on mortality? What effect has the size of policies on persistency? What savings in expense are effected at issue, in collection costs, and home office handling with the larger amounts?

Earl Nicholson, actuary of Joseph Foggatt & Co., is president of the association. Other officers are: Vice-president James Reeder; secretary, Eugene Pakes, actuary Woodmen Circle; treasurer, W. T. Eldridge, consulting actuary.

Secretaries Section Program

The Secretaries Section program Feb. 21 is: "Modern Accounting Methods," W. L. Poulton, accounting division National Cash Register Company; "Trends in the Bond Market," C. L. Finger, manager Saint Paul branch, Wells-Dickey; "Social Security and Old Age Assistance," speaker not announced, probably a member of the old age assistance de-

partment, Chicago; "Meeting the Public," by a prominent Chicagoan doing that type of work. A round table discussion will also be held.

The officers are: President, Herbert M. Hauck, secretary A. O. U. W. of Minnesota, St. Paul; vice-president, Mrs. Mamie E. Long, secretary Woodmen Circle, Omaha; secretary-treasurer, Miss Anna E. Phelan, secretary, W. C. O. O. F., Chicago.

W. O. W. of Omaha Gives Its Annual Figures

Assets of Woodmen of the World, Omaha, in the statement as of Jan. 1, are set at \$128,012,707, consisting of U. S. government bonds \$7,311,666, state and municipal bonds \$88,999,163, other bonds and preferred stocks \$10,740,011, certificate loans \$12,085,118, real estate loans \$236,354, real estate \$1,270,000, cash \$2,884,657, assessments and installments in hands of the national secretary, \$850,000, interest due and accrued \$1,633,934 and other assets \$2,001,801.

Reserves for certificates, fluctuation of security values and other contingencies were \$126,848,347. Mortuary claims in process of settlement were \$752,991, commissions and expenses due and accrued \$144,417 and other liabilities \$266,952.

Gwinner Heads Arkansas Congress

E. A. Gwinner, Hot Springs, Ark., state manager Modern Woodmen of America, was elected president Arkansas Fraternal Congress. He succeeds Mrs. L. A. Bailey of Jonesboro. Other officers were: Mrs. T. Goldsticker, Little Rock, first vice-president; Mrs. L. Mason, Jonesboro, second vice-president; G. H. Steimel, Pocahontas, third vice-president; Mrs. V. Henry, Little Rock, secretary; Mrs. V. Burns, Little Rock, chaplain, and A. J. DeMers, Little Rock, legal counsel. Next year's state congress will be at Hot Springs.

**SERVICE
SINCE
1883**

To Millions of American People

• **FIFTY-SIX years ago, a small group of men formed an organization under the name of MODERN WOODMEN of AMERICA, for social and fraternal co-operation and for the financial security of their dependents. Since that time this organization has developed into one of the foremost fraternal life insurance institutions in the country.**

• **Since organization this Society has paid benefits aggregating over \$600,000,000.00, and now has approximately \$600,000,000.00 insurance in force. Its assets have more than doubled in the past six years, now amounting to more than \$75,000,000.00. Forms of contracts now issued provide life insurance for men, women and children, on a legal reserve basis. Experience and performance qualify this Society to prescribe life insurance programs to satisfy present day needs.**

HEAD OFFICE: ROCK ISLAND, ILL.

**MODERN
WOODMEN OF
AMERICA**

VIEWED FROM NEW YORK

By R. B. MITCHELL

CAMPBELL'S BRANCH LEADS

The eastern department branch of the New York Life, which is managed by R. L. Campbell, inspector of agencies for the eastern department, led all branch offices in volume of business from new organization. Mr. Campbell's territory led all of the 25 territories in percentage of excess volume over allotment. His district includes 12 branches, two of which are in New York City, the remainder being in upstate New York, Connecticut and eastern Canada.

Paul Askew of the eastern department branch was one of six agency organizers in the United States who won an invitation to the recent agency directors' convention at St. Petersburg, Fla. To qualify for this invitation an agency organizer must obtain at least \$500,000 production from new organization.

MYRICK FUNCTION NOTABLE

Julian S. Myrick celebrated his thirtieth anniversary as manager of the Mutual Life of New York in New York City at a luncheon attended by close to 400 guests, including many leading New York City general agents, home office officials and others prominent in the business. There was a distinguished list of speakers as well, including the Rt. Rev. W. T. Manning, bishop of the Episcopal diocese of New York; Superintendent Pink of New York; G. A. Patten, vice-president and manager of agencies; J. C. Traphagen, president of the Bank of New York, trustee of the Mutual Life, and Manager Myrick himself.

Of Mr. Myrick Mr. Pink said: "He is the kind of man that has made it possible for us to bring life insurance up to the estate which it has today in the world and in this country. I am not afraid of the criticism that is made; we should not be too touchy about criti-

cism; perhaps it is good for us. But life insurance, of all institutions, has, I sincerely believe, retained through these troublesome times the respect and confidence of the people more than any other institution that there is in the business world. And that is something to be proud of."

Mr. Traphagen, who made the principal address, took an optimistic view of the business outlook, saying that if the people regain their sanity, there will be plenty of employment for idle funds and plenty of work for those who really want to work.

Mr. Myrick paid a tribute to his former partner, Charles E. Ives, who retired in 1926. He referred to Mr. Ives' place as an outstanding American composer, whose merit is coming to be more and more recognized as the years go by.

JOINS MANHATTAN

Herman E. Reinis has resigned as supervisor of the Warshauer agency of Guardian Life in Brooklyn to become associate general agent of the Cromwell



HERMAN E. REINIS

agency of Manhattan Life in New York. He is vice-president of the Brooklyn Life Supervisors Association. He was one of its charter members and its first secretary-treasurer.

As a brokerage supervisor, Mr. Reinis has built a compact following of brokers, numbering 40 or 50.

He went into the business with Equitable Society in New York.

Three years later he became assistant manager for Security Mutual Life in New York and later became conservation manager for the entire city. He went to Guardian Life in 1935. In his new position he will continue to devote much of his time to promoting business in Brooklyn.

NEW YORK MANAGERS ELECT

The New York City Life Managers Association at its annual meeting this week elected General Agent H. F. Gray of the Connecticut Mutual Life as president, succeeding Gerald A. Eubank, manager Prudential. Other nominees elected include G. V. Austin, general agent Aetna Life, Brooklyn, vice-president, and H. Arthur Schmidt, general agent New England Mutual Life, secretary-treasurer.

The following committee chairmen were elected: membership, C. E. Bartlett, Metropolitan Life; law and legislation, H. H. Wilson, Equitable Society; twisting, W. G. Fitting, Equitable Society; rebating, Isadore Freid, New England Mutual; misleading comparisons, S. S. Wolfson, Berkshire; proselytizing of agents, H. L. Taylor, Mutual of New York; planning, Osborne Bethea, Penn

Mutual, E. C. Hoy, Sun Life of Canada, Newark, vice-chairman.

The L. A. Cert, Jr., agency of the Fidelity Mutual Life of Philadelphia has leased new quarters at 55 Liberty street and will move about April 1. The agency has been at 99 John street for several years.

POLICIES

Maintains Dividend Scale

The Massachusetts Mutual is continuing its current schedule of dividends, with minor revisions, effective June 1. Interest allowed under settlement options will be reduced from 3.75 percent to 3.6 percent, while the rate on dividend accumulations remains unchanged at 3.5 percent. Dividend revisions apply only to retirement annuities and deferred annuities, and to such endowment and retirement income policies as have been in force for more than 15 years. No change is made in the schedules applying to ordinary, or limited payment life, family income, family maintenance or term policies.

Dividends on annual premium retirement annuity policies have been revised. The dividends consist of $\frac{1}{2}$ percent interest in excess of the guaranteed 3 percent reserve rate. This applies to contracts numbered 1,192,200 or higher. A corresponding adjustment has been made in dividends under deferred annuities.

The revised scale provides for no dividends on either annual or single premium retirement annuity contracts issued on the 3 $\frac{1}{2}$ percent reserve basis, this applying to policies numbered 1,192,199 and under.

Mutual Benefit Correction

Attention is called to an error made so far as the Mutual Benefit Life is concerned in the retirement income policy table appearing in the issue of Jan. 27. The explanation is as follows:

On the male life, on the income endowment at age 65, the premium quoted is for \$10 monthly income for life with 168 months guaranteed; with a 120 months guarantee the income would be \$10.85. The guaranteed period on the female contract is 120 months, so that the rate quoted is correct. However, we note that both the rate for the male at 65 and the female at 60 are referred to a footnote "2" which states "\$2,000 death benefit." This, of course, is incorrect as the Mutual Benefit does not write policies with a double indemnity benefit.

INDUSTRIAL

Reilly Goes to Waterville

Morris Reilly, who has been manager for the Metropolitan Life at Central Falls, R. I., goes to Waterville, Me., as manager succeeding A. Chavonelle, recently deceased. Mr. Reilly for many years was manager at Portland, Me. D. Pasquale is now in charge at Central Falls.

Will Meet to Honor Duff

NEWARK—More than 150 associates and friends of J. P. Duff will attend a testimonial dinner Feb. 4 at Signac, N. J., in honor of his 25th anniversary as manager here for the Metropolitan. A number of home office officials will attend. Dancing and entertainment will follow.

New Life of Virginia Offices

The Life of Virginia has opened a five-agent district in Albany, Ga., for weekly premium and ordinary service, with T. M. Jones as manager. Mr. Jones was formerly manager at Columbus, Ga.

A three-assistance district has been opened in Mobile, Ala., with W. R. Beatty as manager. He was an asso-

ciate in the Washington, D. C., district and a traveling inspector.

McCormick Fitchburg Head

B. J. McCormick, formerly assistant superintendent for the Boston Mutual Life in Dorchester, Mass., has been appointed superintendent of the Fitchburg, Mass., office. He succeeds W. R. Tapin, who resigned to operate a local fire and casualty agency.

Managerial Change Made

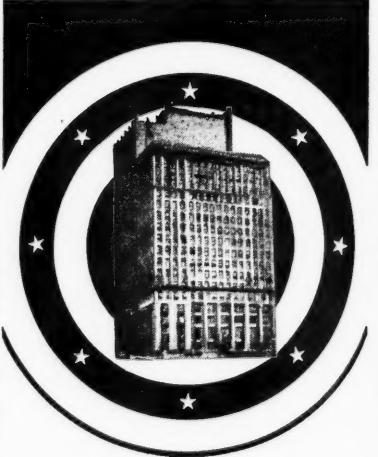
Five changes in managerial personnel are announced by Interstate Life & Accident. W. J. Powell has been transferred from Murfreesboro, Tenn., to Clarksville, Tenn. R. E. Rabun takes the helm at Murfreesboro, being transferred from Meridian, Miss., where he is to be succeeded by R. E. Granberry, formerly of the Augusta district.

H. E. Avant takes over the Augusta office, having been promoted from an assistant management in Columbus, Ga. Logan Mount has been advanced from assistant at Shelbyville, Tenn., to manager of the Tupelo, Miss., unit.

O. W. Camp of Warren, Ark., was named assistant manager at Pine Bluff, Ark., by the Metropolitan Life at a meeting of southeast Arkansas agents. S. H. Brown is district manager.

Move Headquarters to Kansas City

The southwestern division of North American Life of Chicago has been moved from St. Louis to Kansas City with Verner F. Larson, director of agencies, in charge. Supervision is exercised over Missouri, Kansas and Colorado. Mr. Larson will serve as manager of the Kansas City office as well. Harry Curtis, who has been in charge of the Topeka office, will hereafter make his headquarters in Kansas City, but will continue as agency supervisor for Kansas. President E. S. Ashbrook of North American Life served as Kansas City manager for many years.



General Agency
OPPORTUNITIES
for good personal
producers



Sales Ideas and Suggestions

General Agents Present "Sales Ideas That Click"

"Sales Ideas that Work" which were presented at the general agents' conference Massachusetts Mutual by Alvin T. Haley, Greensboro, N. C., and J. S. Braunig, Boston, may be of help to those seeking ways of increasing their business.

An approach designed particularly for the man with a growing family was outlined by Mr. Haley.

It is rare, he pointed out, when a man with a growing family has already reached his top earnings. As a result he finds that most men are very much interested in any plan which will help them to make that which they earn do double duty. Especially is this true when it is pointed out to the prospect that his children are growing up and that they require a tremendous amount of food, clothing, doctors, dentists, education and a host of other items of expense.

Mr. Haley likened this family expense problem to that of an electric power company. It has problems somewhat akin in basic nature to those which every married man with a growing family must face. Electricity is the only commodity on earth which has to be manufactured and delivered simultaneously. No method has ever been devised under which a reserve supply of alternating currents can be stored up. For that reason every power company must be ready to supply electricity at the time of maximum demand at minimum expense.

Demand Varies

For example, at a season of the year when the days are short the period of peak demand is late in the afternoon when factories are making full use of power and many electric lights are turned on early, the power company has a device which automatically turns on additional generators to meet its needs. Then, as the power demand tapers off towards midnight and continues to decrease during the small hours of the morning, many of the generators automatically cease to operate. This method makes the necessary power available when the need is greatest and yet it does so on the basis of smallest expense possible.

Similarly in the family man's need for life insurance protection, there is a period of maximum demand, the time when the very greatest possible amount of protection power needs to be available. That is immediate and continues when the children are growing up.

Mr. Haley points out that his company has taken a tip from the power company and worked out an arrangement through which for the next 20 years the prospect if he adopts a special protection plan is guaranteed peak protection to meet the maximum demand at great savings, should his family be left without his support.

Audit Method Used

He then applies the audit method of questioning to find out the needs of the particular prospect. If the prospect decides that he does not need insurance at this particular time, endorsement letters of prominent men who have used the service of the agent and have bought insurance from him are flashed before him.

Then the agent asks the prospect to make a complimentary reference to the service rendered by the agent if he so desires. It is Mr. Haley's opinion that endorsement letters are not used enough in selling life insurance.

Mr. Braunig presented a sample sales talk which could be used to sell a pros-

pect a policy which would provide his family with a continued income over a period of years if he were taken out of the picture.

In this the prospect is asked if he would be willing to save a few cents a day to put such a plan in effect for the benefit of his children and his wife, providing that at the same time and with the same plan, he would save some money for his old age. The plan is then outlined. In closing, Mr. Braunig first suggests two ways on which the prospect's family may receive benefits. Then the prospect is asked if he knows of any other savings plan that will accomplish as much. Following this the ensuing picture is drawn: "Suppose your boss should stop at your desk and say, 'I have some bad news for you. Although you

have done an exceptionally fine job here it is necessary to curtail expenses and we are forced to let you go. Your salary and your job will stop right now.' 'You would feel very badly wouldn't you?' the prospect is asked. 'On the other hand, suppose he had also said, 'Well, now, don't feel too badly about this. Because we think a great deal of you, and because there was a possibility of this happening and we did not want to let you down, we have made arrangements with the Massachusetts Mutual Life Insurance Company whereby a part of your salary will continue for the next three years.'

"Thus, you will not have to take an undesirable job, one which would not pay you enough salary, and one that would be distasteful to you. This guaranteed income every month over a period of three years, will even give you an opportunity to prepare yourself for a better job."

The prospect's reaction is secured and he is asked to imagine how his family would feel if he were taken away from them and they did not have such protection.

typical of many enthusiastic recommendations.

The two brothers are an amazing example of team-work. Each supplements admirably the work of the other. J. Beverley is the contact man. He sells the prospective client on the type of results that may be produced by a consultation with Duncan S. The latter by long study and experience has made himself a thoroughgoing expert on estate and tax problems. At the same time, all their work is done in the closest cooperation with their clients' attorneys—cooperation that the Robinson brothers find is readily given when the lawyers fully understand what is being proposed.

Superb Merchandising

The secret of their amazing success? Briefly, a superb job of merchandising their expert ability in handling complicated and highly technical matters. How well they use the endless chain method may be judged from that fact that a recent case represented the ninth link, the first having been a contact in Buffalo in 1936.

The Robinson brothers are sixth generation Canadians, their forebears having been among Toronto's earliest settlers. Their grandfather was Sir John Beverley Robinson, chief justice of upper Canada. Their father was Christopher Robinson, K. C., for more than a generation the acknowledged leader of the Canadian bar, and Canada's representative on the Alaska boundary tribunal, the Bering Sea arbitration and other international negotiations.

Though working intensively and for long hours when on the job, the Robinson team knocks off work from the end of June to the middle of September, going back to Canada, where the only business they do is servicing their Canadian clients. Their extended vacation helps to make up for the necessity of being away from their families for long stretches, as both brothers continue to maintain their homes in Toronto.

Two Unsung Canadians Are Multi-Million Writers

NEW YORK—Two of the most inconspicuous multi-million dollar producers in the business blinked momentarily in an unaccustomed spotlight last week when Julian Myrick, at his thirtieth anniversary luncheon, mentioned that two of the guests were related to the first president of the Mutual Life of New York. The two modest "millionaires" are J. Beverley Robinson and Duncan S. Robinson, who joined the Canada Life as agents in 1922, and have ever since been prominently identified with that company.

Their reluctance to give out just how much they produce each year or any other data lending itself to a publicity build-up has made them somewhat legendary characters in New York. Outside guesses as to their production run to astounding figures, but even a conservative estimate leads to the conclusion that their joint production is more than ample to rate each of the brothers as a million dollar producer and then some.

Leaders in Canada

For years before coming to the United States in 1936 they were the undisputed leading producer of Canada. They have also led the Canada Life's millionaires' club (based on insurance in force) by a wide margin ever since its inception even though, because of working as a team, they must pay for more than twice as much as any individual member of the company's field force. Except for a brief experimental period in another city, their first American base was Buffalo, N. Y. At the end of a year there they went to New York City in the first part of 1937.

While understandably reticent on exact details of their procedure, they readily admit that what they do could be done by anyone else—assuming a like background of study and experience. Estate planning—a term which, incidentally, the Robinsons feel is frequently misused—describes their work in a general way. Legitimate tax savings are an objective and frequently achieved, but the other aids of their clients' estates are the ones primarily stressed. When they get through they have not only done a good job but the client knows they have done a good job. Not only that, but he is ready and anxious to tell his friends about it. And does.

One letter of appreciation reads in part:

"The truth is I was utterly skeptical that the work I had already had done could be improved upon by anybody, let alone by two gentlemen from another country, and I was very loath to reopen the subject. . . . The result have been quite extraordinary and far beyond what I should have believed possible. It would be difficult to assess the value of the advice I have received."

This letter was from the head of a nationally known corporation and is

Chester Fischer Outlines General Agents' Job

PALM BEACH, FLA.—Vice-President Chester O. Fischer talked on "The General Agent's Job," at the annual conference here of the Massachusetts Mutual General Agents' Association. This job includes not only the creation and establishment of a recruiting agency to bring in men who will produce new business and give good service to policyholders, but the business like management of office routine, essential to collection of premiums, maintaining records, answering correspondence, and the other details required for good functioning.

In the early days the general agent was also the producer. About 1890 general agents began to build organizations. From about 1930, the research period has been here and the improvement of quality is a big consideration.

The general agent's job of sales, service and administration requires planning, like any job where work must be delegated to others. However, besides the plan, the work must be carried through.

Must Use What Is Known

First the general agent must be a good business man. He must make use of what is already known. The good business man must keep abreast of new developments, of changes, of new techniques which are up-to-date and progressive. He should make use of the pertinent material which is today available in the field of general agency building.

The general agent must consider the

importance of profitable operation. He must conduct his affairs in such a manner as to operate at a profit to all concerned. Any business relationship to continue must be mutually profitable. The general agent's job is not only to build an agency, but to build it within reasonable limits of cost. The really successful general agent is he who has built an agency and made money for himself and his associates through performance of a good job at reasonable cost. A budget and complete financial records will help the general agent operate soundly.

Growth of agency and company comes through increases in insurance in force. That means that quality of business put on the books is essential. Causes of lapses and surrenders must be studied. To build an organization, activity and effort must be on an organized plan.

"Do these four things: organize, depurify, define, supervise," said Mr. Fischer. Many managers fail in making clear to their deputies what is to be done. It is up to the general agent, not his assistant, to establish principles, plans and programs. When responsibility is delegated, it must be accompanied by necessary authority. Initiative should be developed and encouraged.

Successful organizations means steady infusion of new blood, intelligent and painstaking selection, thorough and sound education and training, continuing supervision, constant elimination of

those who, despite all of the foregoing, fail to qualify.

Life insurance is highly regarded. The greater part of honest criticism is directed toward the selling phase of the business. It is charged that insufficient care is exercised in the selection of field representatives. Such comments should be accepted as a challenge.

"When you bring a new man into your sales family, do so on the basis of being willing to stand by him morning, noon and night until he succeeds, or fails and is eliminated. If you do that, the unsuccessful one cannot feel unkindly, and moreover, you will eliminate those later weeks and months of guessing whether or not he is going to succeed."

Salesman's Requirements

The successful general agent must be a good life insurance man, and also must be a capable salesman and an enthusiast. He must see to it that he is constantly in touch with developments in the selling field, fully qualified and prepared to advise with and direct at all times the selling activities of his associates.

Finally he must be a leader. He must be the starter, the driving force. He must motivate and stimulate through precept, example and influence, by reason of winning respect and affection.

Retail Credit Co. Changes

The Retail Credit Company of Atlanta has given the added title of general manager to J. C. Malone, vice-president. H. B. Harmon, assistant vice-president, was chosen operating manager and P. G. Sanford, assistant vice-president, sales manager. Mr. Malone was formerly located with the company in Chicago and afterwards in Cincinnati. Mr. Harmon has filled a number of important positions with the Retail Credit. Mr. Sanford has spent much time in the field, having been located in Chicago, Philadelphia and then Cincinnati in charge of the central division.

Talk on Underwriting Given in Milwaukee

Three points of view are paramount in home office underwriting, Warren J. Moore, secretary Old Line Life of America, Milwaukee, told the Milwaukee Life Managers and General Agents Association in a talk. These are physical, financial and habits, such as drinking.

He explained the numerical system for valuing applicants. Factors given favorable or unfavorable rating include build, such as height, weight and other measurements; family history, etc., the debit and credit arrangement adding up either to favorable or unfavorable mortality to be expected.

"Some of the debits consist of unfavorable personal history such as ulcers, indigestion, and so forth. We have to depend upon the findings of the medical examiner with respect to heart, lungs, pulse, urine and blood pressure, each of which has its normal defined limits. I would like to comment particularly about blood pressure.

"When I first entered the business, a blood pressure of 150 at any age was presumed to be acceptable. Today, a pressure of 114 is just as normal and a pressure of 140 just as abnormal in an old man as a young one. The old theory of 100 plus your age has been exploded. As much as we pride ourselves on our actuarial data and on the results of various mortality investigations, a safe and satisfactory set of rules for underwriting blood pressure has not been outlined.

"Insurance is one of the few things in life that is not obtainable because a person is willing to pay the price. Perhaps he measured up to all qualifications but his earned income does not bear the proper ratio to the amount of insurance.

ance applied for. The general rule adopted by most companies is the 20 percent rule, and while it is arbitrary and subject to some adjustments in individual cases, it has proven very satisfactory.

"While suicide is a very great hazard in speculative insurance, a greater hazard is the additional mortality which the company assumes, as the applicant knows more about himself than the company is able to find out. In the case of business insurance, the rule of five times the salary is more or less general."

Mr. Moore declared, citing as authority Dr. H. W. Dingman, vice-president and medical director Continental Assurance, that alcohol does less harm inside the body than is generally believed.

"Our present rating schedule is not based on why a man drinks but how often and how long," Mr. Moore concluded. "Our system of classifying by amount and frequency of drinking is our means of measuring the risk according to how often good judgment is suspended."

An informal discussion of alcohol followed.

Indianapolis Conference April 24

The Indianapolis General Agents & Managers Association plans to hold a conference April 24. Howard E. Nyhart, Connecticut General, is general chairman. Handling of agency problems, with a view of helping producers to become more efficient and prosperous, will probably be the theme of the conference.

Hull Speaks in Columbus

COLUMBUS, O.—Manager R. B. Hull, National Association of Life Underwriters, spoke before the general agents and managers. He hoped the new Institute of Life Insurance, inaugurated by a company group headed by F. B. Wilde, president Connecticut General Life, would become one in which all insurance groups would participate and have a voice. He sees in it great possibilities if it becomes thoroughly representative.

Mr. Hull stated that at first he believed the SEC investigation would be rather harmless but recent events reveal a sinister motive. Mr. Hull addressed the Ohio State Life convention Tuesday. He then left for Baltimore where he will talk to a large audience of life men. He will travel on to Washington, D. C., to address the Girard Life convention.

Mansmann Pittsburgh Head

PITTSBURGH—B. F. Mansmann, Reliance Life, was elected president of the Pittsburgh Supervisors' Club of the Pittsburgh Life Underwriters Association succeeding D. W. Hooton, State Mutual Life. C. E. Sherer, Sherer & Sherer agency, was elected secretary and treasurer.

Mercer Heads Kansas City Group

E. G. Mercer, Lincoln National, was elected president Life Insurance General Agents & Managers, Kansas City, Mo. Other officers are: E. G. Mura, New England Mutual, vice-president; J. E. Miller, Columbian National, secretary-treasurer; J. H. Birmingham, Phoenix Mutual, and R. J. Costigan, Business Men's Assurance, directors. Holdover directors are: A. Drake, State Mutual, and M. F. Houston, Washington National.

Rhyam Elected in Milwaukee

MILWAUKEE—Hillis C. Rhyam, manager Guardian Life, has been elected president of the Milwaukee Life Managers & General Agents Association to succeed Hugh Holmes, general agent Lincoln National. Other officers elected are: Gifford Vermillion, Mutual Life of New York, and Frank W. Engel, Franklin Life, vice-president; Alfred Korbel,

Central Life of Iowa, secretary, and Paul Kremer, Penn Mutual, treasurer. Warren Moore, secretary Old Line Life, spoke on the relation of home office and general agencies in underwriting practices.

Advertisers Meet March 16-17

DES MOINES—John McCarroll, Bankers Life of Iowa, president Life Advertisers Association, announced the eastern round table will be held March 16-17 in Hotel Pennsylvania, New York. Seneca M. Gamble of the Massachusetts Mutual Life is chairman of the meeting.



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